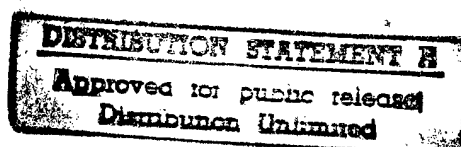


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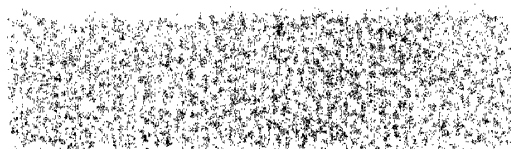
Soviet Union

USA: ECONOMICS, POLITICS, IDEOLOGY

No 10, October 1988

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Soviet Union

USA: ECONOMICS, POLITICS, IDEOLOGY

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JPRS-USA-89-005

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[The following is a translation of the Russian-language monthly journal SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA published in Moscow by the Institute of U.S. and Canadian Studies of the USSR Academy of Sciences. Refer to the table of contents for a listing of any articles not translated.]

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USA: ECONOMICS, POLITICS, IDEOLOGY

No 10, October 1988

Positive Developments Seen in U.S. Economy
18030004a Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 88 (signed to press 22 Sep 88) pp 3-13

[Article by Nikolay Petrovich Shmelev, doctor of economic sciences and department head at Institute of U.S. and Canadian Studies; Nikolay Vyacheslavovich Volkov, candidate of economic sciences and sector head at Institute of U.S. and Canadian Studies; and Aleksandr Borisovich Parkanskiy, candidate of economic sciences and senior researcher at Institute of U.S. and Canadian Studies: "The American Economy on the Threshold of the 1990's"]

[Text] There has been an alarmist tone to articles in American periodicals about the state of affairs in the U.S. economy for several years now. An imminent financial crisis and the loss of competitive strength have been the most frequent predictions in these articles. The size of the U.S. federal debt and budget and trade deficits, the inundation of the American market with consumer goods from Japan and Southeast Asia, the scales of financial speculation, and the "de-industrialization" of America were usually cited as proof. All of this naturally gave the general reading public (including the public in the USSR) the idea that although the United States is a rich country, it has lost its ability to react quickly and flexibly to changes in the economic situation "at home" and abroad.

Articles in the same periodicals about the renewal of the American corporate production system, however, clearly contradicted the accompanying "economic alarmism." Why? Why was it so necessary to prove that although the U.S. economy as a whole was on the verge of collapse, conditions in most corporations were more or less fine?

In our opinion, the most probable reason is that it is convenient for the ruling class as a whole to put the emphasis on negative processes in the U.S. economy, because any threat of economic collapse in the United States now puts the future development of many of its partner-rivals in question. For this reason, the appeal to "work for us, or things will be bad for everyone" can easily be read between the lines.

Therefore, it is not always a good thing to take the American press at its word. On the contrary, the alarmist statements about the American economy, which are frequently reprinted in our country without any scrupulous scientific analysis, require a discerning examination. "We must have the courage to face the truth," V.I. Lenin wrote, "and not try to fool ourselves."¹

There is no question that there are several negative trends in American development, but the scales of the actual effects of many of them need to be verified in detail with statistics. In any case, is it possible to define the state of the U.S. economy only by listing the negative aspects of its development? Is it possible that the most massive changes in the American economic structure of all postwar history, changes leading to the creation of the new technological method of production, do not provide food for thought about non-traditional causes of the American problems listed above?

In connection with this, we would like to direct attention to several developing trends in the U.S. economy for what we regard as a more balanced view of the current situation.

Distinctive Features of Internal Economic Situation

The beginning of the 1980's was a turning point in the American economy for many reasons. Between 1980 and 1982 it experienced one of the lengthiest and most devastating crises in its history, a crisis which summed up the economic results of the first three postwar decades and marked the beginning of a new scientific and technical stage in American development. The United States entered the cyclical phase of prosperity, and this continued for almost 6 years. In the last 40 years the upward phase of the economic cycle has only come close to this length once—in 1961-1967.

An even more significant feature was that, in spite of acute financial and foreign trade problems, the rate of economic growth in the United States between 1983 and 1987 (4.1 percent) in the current phase of prosperity was approximately the same as in Japan and far surpassed the indicators of the leading West European countries. In other words, the American economy retained the leading role in the world capitalist economy in the 1980's, and at a time when its main rivals had virtually lost their lead in rates of economic growth.

It is understandable that this turn of events made the United States the most convenient place for the investment of capital in the loan market and in business. If America's economic strength had not increased and the sweeping renewal of the production system had not been undertaken for the purpose of enhancing economic efficiency and, consequently, competitive potential, who—we would have good reason to ask—would invest capital here? The simplest rule of business is at work here: Money is invested wherever the most money can be made with the least expenditure and risk.

While purchases of American Treasury bonds by foreigners grew much more intense in the 1980's, their proportion of the U.S. federal debt had declined perceptibly by the beginning of 1987. In 1979 and 1980, for example, foreign holders of government securities accounted for

14 percent of the total federal debt, but the figure was only 11 percent in 1985 and 1986. During the same period, national private holders increased their share from 77 to 81 percent.²

The property owned in the United States by West European and Japanese firms does not pose any meaningful threat to the American economy either. America is still a long way from economic colonization. Foreign capital owns less than 1 percent of the real estate in the United States in terms of value, and the value of foreign-owned mining and agricultural holdings is equivalent to less than 5 percent of the total annual income of American corporations.³ Purchases of real estate by foreigners are mainly concentrated in a few large cities, such as New York, Los Angeles, Honolulu, San Francisco, Chicago, and Dallas. There have not been any mass purchases of offices and hotels throughout America yet.

Although the intensity of direct foreign investment in the United States rose considerably in the 1980's, the combined direct capital investments of America's rivals at the end of 1987 were equivalent to only 30.1 percent of the annual investments of U.S. companies in fixed capital within the country.⁴ In spite of the impressive size of foreign assets in the United States, valued at 1.5 trillion dollars, this represents only 7 percent of the national wealth of the leading center of contemporary capitalism. Furthermore, 80 percent of this 1.5 trillion dollars consists of deposits in American banks and investments in U.S. Treasury bonds. In other words, all of this money is directly or indirectly included in the total amount of circulating American capital.⁵

Of course, foreign capital participation in the reproduction process of the American economy has increased. This is indisputable, but this does not signal a radical change in the balance of power in favor of Japan and Western Europe. The opposite is more likely to be true: The United States' much greater economic potential and consequent opportunities for the incorporation of scientific and technical achievements are creating a new system of economic (partnership) relations between American capital and its foreign rivals. Various forms of internationalized production are being developed actively in the United States. They are becoming an integral part of the automated flowline production method in the American economy. The unification of the forces of each and every member of the world capitalist economy for a quicker transition to the new technological method of production is one of the main objectives of American capitalism and one of the main reasons for the restructuring of the U.S. economy. In all probability, future internationalized forms of production in the world capitalist economy are now being tested in the United States. The scales of this "experiment" are apparently much broader than many economists assume. This is the reason for the statements about the imminent collapse of the financial system, for example, which they anticipate at any time in the United States.

It is true that the situation has been more tense in the U.S. financial system in the last few years. The number of bankruptcies of financial institutions is quite high, but these bankruptcies have occurred during a period of economic prosperity rather than of crisis. In essence, there is an intensive process of elimination of inefficient enterprises and banks in the United States. We should recall the beginning of the 1980's, when several fairly large banks in the United States either went bankrupt or were on the verge of financial ruin. Many extremely authoritative American publications immediately published a series of articles predicting that a few more bankruptcies and the refusal of the largest debtors to repay loans would cause the collapse of American and international capitalist finances. After this a few more banks went bankrupt, the developing countries slowed down the repayment of their debts, and Peru and Brazil suspended all payments on loans, but nothing tragic occurred in the U.S. financial system. It was mainly the small banks that went under, while the large banks which were unable to balance their credit operations were either supported by the government or were put under the control of more successful financial institutions.

Consumer debt, the largest element of the total indebtedness in the United States, is not undermining the American financial system from within either. It is impossible to discuss the danger of its growth seriously without analyzing the state of family budgets. Consumer assets—i.e., the value of homes, durable goods, bank deposits, stocks and bonds—are usually a guarantee of solvency, and these assets grew more quickly in the 1980's than consumer debts. As a result, the value of property minus liabilities increased during this period. At the end of 1986 the ratio of all of the Americans' financial and material assets to their debts was higher than the average for the 1970's and constituted 5:1.

The material assets accumulated by the American population explain why, for example, comparisons of personal savings in the United States and in other developed capitalist countries can be deceptive. If the traditional method of calculation is used (income after taxes minus expenditures), personal savings in the United States in the 1980's have been much lower than in Western Europe and Japan. If the new and non-traditional method suggested by renowned American statisticians R. Lipsey and I. Kravis is used, however, and the population's expenditures on durable goods and education are taken into account, the personal savings norm in the United States is comparable to the norm in other leading economically developed countries.⁶ The Americans now spend 14 percent of their personal income on durable consumer goods, whereas the Japanese spend no more than 4-6 percent.⁷

Much has also been said about the retardation of U.S. industry by the wave of speculations which swept through America in the 1980's, by the efforts of banks and corporations to earn "profits without production." It is true that the non-productive investments which

reached unprecedented levels in the 1980's inhibited the development of American industry. On the whole, however, the results were similar to those in banking: Weak production units either ceased to exist or became part of the structure of much stronger corporations with effective management and the ability to maximize surplus value. As a result of this financial and technological surgery, labor productivity in the U.S. processing industry rose (at a rate of 6 or 7 percent in some quarters). The financial state of corporations improved. It is no coincidence that internal production financing increased to 66.4 percent in the 1980's, as compared to 58.4 percent in the previous decade.⁸

In general, U.S. industrial corporations have accomplished the substantial renewal of their production system. Furthermore, operations having no direct connection with the main field of production are now occupying a prominent place in this system. Takeovers of profitable companies, even those in another field, provide the purchasing corporations with profit insurance to compensate for shortages in basic production. This is less an indication of the reorientation of American capital wholly toward speculative operations with securities (although there is always more intense speculation at turning points in the development of the capitalist economy) than a sign of significant changes in the organizational structure of monopolist capital.

The dramatic decline of the rate of inflation was an important factor in the development of the U.S. economy in the 1980's. On the one hand, this was connected with the monopolist onslaught on labor's rights and the ruling class' pursuit of the policy of social revenge, which made it possible to put a freeze on real wages for almost 6 years. On the other, the technological modernization of production caused the prices of working capital to decline by 20-30 percent and the prices of fixed capital to rise much more slowly than in the 1970's (for example, the average annual rate of increase in the prices of the means of production in 1980-1986 was 4.2 percent, whereas it was 7.6 percent between 1970 and 1979).⁹ Both lowered production costs. The rate of inflation was also held in check by the higher exchange rate of the dollar, which reduced the value of imported goods dramatically and kept the American monopolies from raising prices appreciably in the domestic market.

In spite of a slight rise in the rate of inflation in 1987 (5 percent, as compared to 3-3.5 percent in the preceding few years), this will not have any significant destabilizing effect on the American economy in the next year or year and a half. To avoid undermining America's image as a reliable site for the investment of loan capital, the Federal Reserve System and private U.S. banks responded to the rise in prices by raising interest rates on government bonds and personal deposits. In this way, they have kept real interest rates at the level guaranteeing the government and private banks incoming funds from domestic and foreign sources.

Many acute problems, however, have not been solved in the United States yet and are impeding economic development. First of all, the intensive restructuring of production in industry is pushing manpower out of the sphere of physical production. As a result, the rate of unemployment in the 1980's was the highest of the entire postwar period for a phase of economic prosperity (although it began to decline recently). Of course, the new technology requires only the most highly skilled labor, but this means that the society must quickly retrain or find jobs for those with no place in the new technological method of production. This is something America has not been able to do. As a result, the percentage of the population with limited purchasing power is rising. This indicates that changes in the production system have been accompanied by increased social problems. Their explosive potential has not been revealed in its entirety yet, but any crisis-related turmoil in the economy could divulge their extremely negative effects.

In the second place, in spite of the fact that the administration is carrying out some serious programs to surmount the budget deficit and the deficit in the balance of trade and in spite of the slight real decrease in these deficits, the absolute dimensions of both are still immense. The reduction of the budget deficit will necessitate a search for ways of increasing budget revenues and cutting government expenditures (primarily military). In either case the government will not be able to avoid acute conflicts with monopolist capital, including the segment connected with the military-industrial complex. This could exacerbate the sociopolitical situation as a whole. Nevertheless, some experts believe that government revenues will exceed expenditures by the middle of the 1990's.

In the third place, the United States cannot continue augmenting its foreign debt, which was estimated at 378 billion dollars at the end of 1987. It is true that the government and private banks are keeping up with short-term debts and interest, and long-term debts will have to be repaid in 5 or 10 years. By this time the American GNP will exceed 5 trillion dollars and America will probably have the money to repay the debt. The situation could be exacerbated dramatically by a period of cyclical crisis, the natural onset of which would be difficult to deny. Then the slightest interruption in payments could cause a panic in the money market and a chain reaction of bankruptcies.¹⁰

The events in the New York Stock Exchange in the middle of October 1987 were a symptom of this kind of situation. The extraordinary decline in the value of stocks for several days at a time of heightened economic activity, followed by growth which was slower than the decline but was still significant, proved that America, in spite of its dynamic economic development in the 1980's, was not immune to the effects of spontaneous market factors in the stock exchange. And although we believe that these events were connected more with the

panic caused by the rise in interest rates on loans in the United States and the evident "overheating" of the economy at that time, we must say that highly unstable behavior by the holders of securities in the future could have a negative effect on the economic activity of private capital. There is, however, another side to this matter: The continuation of economic growth in the United States could also stabilize the stock market to the same degree.

It is nevertheless obvious that as far as the strong and weak points of American economic development are concerned, the former still outweigh the latter. This preponderance is particularly noticeable when we examine the nature of the technological restructuring of this economy.

Restructuring of Production System

In the middle of the 1970's the American economy entered a new phase of the technological revolution—electronic automation, data processing, and biotechnology.

The fundamental transformation of industrial production and its main element—machine building—and of several branches of the service sphere has already begun. This is attested to by the increasing number of operating flexible production systems, robots, automated production units, and automated project planning. And these are only the first steps.

According to available estimates, the automated flowline technological method of production taking shape in the United States today will facilitate a transition to a new type of economic development, in which the satisfaction of production and personal needs will be accomplished with smaller product and resource volumes. In other words, the final goal will be achieved not through the constant augmentation of economic potential and production scales, but through heightened efficiency without any significant increase in necessary resources.

One of the main features of the technological revolution—the emphasis on resource conservation—is already quite distinct. The incorporation of energy-saving technology and the prevention of energy and fuel overexpenditures reduced energy requirements per unit of gross national product by around 25 percent in the United States in the last decade. The raw material crisis is being solved to a greater extent by the development of recycling and the use of new construction materials. As a result of economic and technical measures, the consumption of crude resources and materials per unit of GNP decreased by 20 percent in the United States in the last 10 years.

One of the distinctive features of the contemporary American economy is that the fundamental restructuring is being accomplished at a time of relatively low growth rates in the economy as a whole. In the last 6 years, for

example, the average annual rate of increase in the industrial product was around 3 percent. The main reason is that the resource-saving, intensive type of economic development allows for the transition to new production structures without the augmentation of volume indicators primarily in material- and energy-intensive branches. This is why rates of economic growth, as the main indicator of the state of the economy, do not always provide complete information about development processes in the capitalist economy at a time of intensive restructuring unless their qualitative implications are taken into account.

The improvement of product quality parameters reduces the need to augment product quantity in traditional branches. As a result of the considerable improvement of quality and the reduction of the labor requirements of production, for example, the American steel industry can fully satisfy the demand in the domestic market for steel of the highest grades and the greatest strategic value (while the demand for traditional grades is being satisfied more and more through imports). Furthermore, capital in the United States is being invested primarily in modernization (75 percent of the total investments in fixed capital in 1986) rather than in new construction, reducing the load of investment resources connected with basic branches.

Small and medium-sized specialized production units are playing an active role in the renewal of the American economy. The average number of employees in newly built industrial enterprises (independent firms or corporate subdivisions) in the United States decreased from 630 at the beginning of the 1970's to 210 in the middle of the 1980's. These changes are supposed to enhance the effectiveness and flexibility of production, although they could also heighten its instability.

The position of large corporations in key branches of the American economy as a whole, however, is growing stronger. In the 1980's they have undergone new and profound changes in management for the maximization of the competitive potential of products. The most common changes have been the modification of production and managerial structures ("restructuring"); the reduction of the size of production, sales, and administrative structural units ("Small is beautiful!"); a vigorous struggle against bureaucratism; and the creation of more economical administrative structures ("lean and strong").

The continued decentralization of more and more functions on the level of divisions and plants, which are strictly self-supporting elements of large corporations in the commercial sense, is a common trend in the improvement of management.

The size of the administration staff has been reduced sharply, especially in the headquarters of firms. In the middle of the 1980's many leading industrial monopolies in the United States resolved to reduce their staff of

engineering and technical personnel and white-collar employees by 25 percent in the next 3 years. In spite of this, the proportion accounted for by these personnel categories in the total number of people employed by firms is not decreasing, and it is even increasing because of the rapid elimination of physical manpower. Engineering and technical personnel and white collar employees represent more than 30 percent of the personnel in the processing industry and 50 percent or more in high technology firms. Most of the administrative personnel affected by staff cuts move to the service sphere, especially to organizations serving the business community on a commercial basis (consulting firms, placement agencies, auditing firms, computer management offices, etc.). The commercial turnover of this branch tripled in the last decade and reached 33 billion dollars. This means that the sphere of management is also making the transition to the intensive type of development.

The interest in science, including basic research, has been revived in the United States. Capital investments in research and scientific and technical development projects are being assigned priority in the economic strategy of the government and the private business sector. The United States has again surpassed its imperialist rivals in the proportion of GNP spent on scientific R & D.

The restructuring of the American economy is producing its first tangible results, but it is also giving rise to new conflicts in the bourgeois economy and exacerbating "traditional" ones. Economic disparities are growing more pronounced, including the unequal speed of restructuring in different industries, economic regions, and states. In particular, economic difficulties are growing more acute in the states with a predominance of "old" branches of industry; delays in the development of the production infrastructure, the capital investments in which are far below objective requirements, are a problem common to all parts of the country.

Many scientific and technical problems have remained unsolved or have even grown more acute, including problems in the development of the newest branches connected with the computerization of the economy. For example, the state of software development for computerized services is inhibiting the more extensive use of computers. For this reason, software technology development is now one of the highest priorities in government science policy. What is more, in the middle of the 1980's the United States (just as the other leading capitalist countries) began suffering from an acute shortage of skilled programmers, and this situation will probably become more serious if the complexity of software continues to increase.

Internationalization of U.S. Production: Centrifugal and Centripetal Tendencies

The development of intra-economic processes in the 1980's was affected greatly by the increasing economic interdependence of the United States and other centers

of the world capitalist economy. The decision of American ruling circles to expand the international economic base of capitalism made the 1980's the decade when the American economy "opened up." As a result, the internationalization of economic affairs in the country in this decade has not only been reflected in the export of capital, services, and goods from the United States but also in an unprecedented influx of foreign financial and material resources and services from abroad.

The United States has become the main site for the investment of international productive capital. In the 1980's more than two-thirds of all of the foreign direct capital investments in developed capitalist countries moved into the United States (41 percent in 1980). In 1986 foreign direct capital investments in the United States were equivalent to almost 80 percent of American direct investments abroad, and although the investment activity of American corporations abroad is on the rise again, no fundamental change in this ratio is anticipated in the near future. It is indicative that the developed capitalist countries' share of exports of direct private investments from the United States is constantly increasing: from 48 percent in 1950 to 75 percent in 1986.

Similar tendencies are evident in the foreign trade of the United States. Its share of world exports in 1980 was 10.5 percent, and in 1985 it was 10.7 percent. Its share of imports increased from 11.8 to 17 percent in the same years. Now the proportion accounted for by foreign trade in the real GDP in the United States is fully comparable to the Japanese figure—around 25 percent and approximately 30 percent respectively. The proportion of U.S. imports is almost equivalent to the Japanese figure. American foreign trade is being concentrated more and more in the developed capitalist zone: Between 1950 and 1986 its share of exports increased from 57.6 to 64.8 percent and its share of imports increased from 42.9 to 65.7 percent. American international trade in services has increased at almost double the rate of foreign commodity exchange in the 1980's.

For many Americans, all of these processes are of direct and vital importance. After all, exports of finished products alone secure the jobs of around 5 million people, and the processing and sales of imports, according to different estimates, provide from 1.2 million to 4.7 million Americans with jobs. Around 3 million people work for enterprises belonging to foreign companies.

The internationalization of economic affairs has been an uneven process in the United States. The leaders in this area are advanced branches, the corporations operating within them, and regions of the priority development of modern production units.¹¹ Transnational corporations, representing 1 percent of all U.S. companies, account for around 80 percent of all U.S. exports, and export operations are conducted by only 30,000 of 300,000 American firms. Many corporations, industries, and regions have only weak connections with foreign markets. As the process of internationalization continues, this causes the

intensification of conflicts in the interests of workers in different industries and economic regions, various segments of the bourgeoisie, and regional and sectorial monopolist groups. Foreign economic problems were central issues in domestic politics in the United States in the 1980's. This intensified the contradictory nature of government policy on international economic matters, reflected, on the one hand, in the pursuit of a policy of free trade in the interest of monopolist groups concentrating on world markets and, on the other, in the institution of various protectionist measures, intended for political or military reasons to protect certain sectors of industry and segments of the bourgeoisie and labor against foreign competition.

The stepped-up internationalization of the American economy gave rise to profound changes in the economic relations of the three centers of imperialism and in the world capitalist economy as a whole.

In particular, when the United States became the most rapidly expanding sales market in the 1980's, its influence in the development of the world capitalist economy had to be reassessed. If the country is importing goods and services worth almost 520 billion dollars, it is obvious that the implications of this extend far beyond the fact that America has lost the battle for its domestic market. What would happen if U.S. imports were to be reduced by 150-200 billion dollars? The negative effects of this on the economies of developed capitalist and "new industrial" countries are quite predictable. The penetration of the U.S. market has already become a special sphere of competition for Western Europe, Japan, and the developing countries. It is becoming increasingly obvious that this market is not large enough for all of them. As a result, the United States has gained additional leverage to regulate, in its own interest, trade and financial relations with the states included in the world capitalist economic system.

Besides this, do the high-quality machine tools and equipment imported by the United States not increase the strength of American industry and enhance the effectiveness of its production? It is unlikely that anyone would say they do not. In the first half of the 1980's the manipulation of the dollar exchange rate allowed the United States to use the import "pump" to redirect part of the national income of other countries into its own economy. Today imports are contributing to the restructuring of the American economy and increasing U.S. national wealth. The exporting countries are contributing directly to the stepped-up renewal of the production potential of their economic leader.

In light of this, we would be quite justified in wondering whether the growth of imports can be viewed as a sign of the United States' weaker position in the world economy today, now that half of these imports are goods produced abroad by enterprises controlled by U.S. transnational corporations, goods produced with their technology and under their management, and frequently consisting of

American components.¹² Can the dynamics of commodity imports and the size of the foreign trade deficit be viewed as indicators of the strength or weakness of the economy of a developed state at this time? An affirmative answer would seem to disregard current realities.

It is true that there is a possible rejoinder here: If traditional indicators no longer reflect qualitative changes in the situation, how can we explain the broad campaign in the United States today for the rapid enhancement of American international competitive potential? Why has the competitive potential of products become one of the central issues in American politics?

It is clear that members of the U.S. ruling class regard the lengthy process of the equalization of the competitive positions of the United States and its rivals as the gradual erosion of American economic and political leadership in the capitalist world and feel that the process will eventually lead to the loss of many foreign markets and spheres of capital investment, intensify the uncontrollable penetration of the American domestic market by foreign goods and investments, and have a severe impact on the national identity and on political stability in the country. Apparently, members of American ruling circles are also aware of the instability of the slight reinforcement of U.S. positions in inter-imperialist competition in recent years. The main objectives of the United States today consist in consolidating the indicators it has achieved, stabilizing this tendency, and extending it over the long range.

It is not surprising that this was one of the main topics in the President's last report on the state of the union. On the level of political morale, this was an appeal to American nationalist feelings. On the practical level, it was a program of action in all areas connected with the enhancement of the effectiveness of the American economy and its ability to compete with other industrial powers in the world—a program which is still indefinite in many respects but is already acquiring concrete outlines. Three major aspects of this program are of special interest at this time: first, the dramatic growth of expenditures on science, especially on research geared to the 21st century, the facilitation of the transfer of technology from the defense sector to civilian branches, and the stronger support for "venture capital"; second, measures essentially representing investments in the "human factor," particularly the improvement of engineering education and the expansion of the system of personnel retraining for workers released from increasingly obsolete branches; third, the dramatic intensification of government stimulation of foreign economic activity by American corporations. The main step in this direction to date has been the reduction of the dollar exchange rate, which is intended to enhance the competitive potential of U.S. exports in terms of prices and sustain rates of economic development resulting from the export boom and the reduced competition from imports.

Evidently, the U.S. administration will keep the exchange rate of the dollar low in the near future and will put more emphasis on "fair" trade, which actually signifies an aggressive, fierce struggle against any administrative obstacles in other countries inhibiting the export of American goods, services, and capital. It will continue its carefully calculated manipulation of interest rates for the purpose of securing the necessary flow of "foreign money" into the American economy and preventing the disastrous flow of this capital out of the United States. On the level of strategy, the administration clearly hopes to give the United States the potential to launch a new offensive on foreign markets in the late 1980's and early 1990's by completing two tasks—reducing the exchange rate of the dollar to approximately the 1980 level and dramatically enhancing the competitive potential of American industry as a result of its current profound restructuring.

The further reduction of the exchange rate of the dollar, the renunciation of protectionism, and the current scales of the flow of financial capital into the United States are inconsistent with the current and long-term national interests of America's main partners. They have had to reconcile themselves to these tendencies because they hoped to earn large profits from investments in the U.S. economy and because the advantages of exports to the huge American market outweigh the disadvantages of this situation. The increasing interpenetration and interdependence of national economies in the 1980's and the tendency of centripetal forces to prevail over centrifugal trends made the United States' rivals more amenable to American domination, although the situation could change in the future.

In this way, the internationalization of economic activity has become a strong and dynamic factor influencing the economic development of the United States. It has shown that the development of U.S. productive forces is made possible by the use of the common productive forces of capitalism. The collective production and intensive exchange of material and spiritual elements of productive forces already constitute a functioning mechanism of the capitalist economy. The United States is vigorously making use of this mechanism.

Of course, the aspects of U.S. economic development in the 1980's we have discussed here do not reflect all of the distinctive features of the period of American capitalism's move to the new technological method of production. Nevertheless, the analyzed aspects of the restructuring of production in this economy and the tendency toward the internationalization of the economy of contemporary capitalism's leading center provide evidence of the considerable qualitative renewal of its productive forces and, consequently, call for a more objective assessment of the actual severity of its problems.

Footnotes

1. V.I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 1, p 407.

2. FORBES, 23 February 1987, p 10.

3. FORTUNE, 22 December 1986, p 35.

4. Calculated according to data in: "Data Resources Review of the U.S. Economy, December 1987," p 8; SURVEY OF CURRENT BUSINESS, June 1987, p 40.

5. NEWSWEEK, 30 May 1988, pp 33-34.

6. For a digest of "Saving and Economic Growth: Is the United States Really Falling Behind?"—the report by R. Lipsey and I. Kravis—see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1988, No 9—Ed.

7. FORTUNE, 1 February 1988, p 43.

8. Calculated according to data in "Economic Report of the President, 1987," p 344.

9. Ibid., p 313.

10. For a discussion of the possible trends in the development of these processes, see V.T. Musatov, "Credit and Finance Problems in the American Economy," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1987, No 8.

11. The export ratio in high technology branches is 2.3 times as high as the average for the processing industry (the import ratio is almost 3 percent lower). In 1985, 43 percent of the products of the Boeing corporation, 23 percent of the products of McDonnell Douglas, and 28 percent of the products of Caterpillar Tractor were shipped out of the country. One out of every five workers in machine building, instrument building, and the chemical industry produces goods for export; from 17 to 24 percent of the products of these branches are exported. Goods for foreign markets are produced by 26 percent of those employed in general machine building in California, 44 percent in the electronics industry in Arizona and instrument building in Arkansas, 55 percent and 40 percent respectively in transport machine building and instrument building in the state of Washington, etc.

12. According to the most conservative estimates, around 50 percent of all U.S. imports are TNC operations, including more than 70 percent of the imported oil and petroleum products, around 60 percent of other crude resources and materials, more than 40 percent of the machines and equipment, and almost 40 percent of the chemical products. One-third of U.S. exports are sent to American branches and subsidiaries. More than half of these shipments are intended for further processing, including more than 76 percent in the processing industry and 89 percent in electronics.

Bush Campaign for Republican Presidential Nomination

18030004b Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 88 (signed to press 22 Sep 88) pp 14-22

[Article by Yuriy Konstantinovich Abramov, researcher at the Institute of U.S. and Canadian Studies, and Lyudmila Anatolyevna Antonova, junior researcher at the Institute of U.S. and Canadian Studies: "The Republicans Before the Election"]

[Text] The election marathon of many months is nearing an end. Although it is unclear who will be the winner¹, the course of the campaign itself indicates that the Republican Party is on the threshold of the "post-Reagan era." Undoubtedly, this is only the earliest stage of changes for which it is still difficult to find a conceptual explanation. For the time being, everything looks like a distinctive "irony of democracy": After 8 years in office, with the continuing high popularity of the current President, and with the country's approval of the positive changes achieved in the international arena, the Republican Party is experiencing a drop in voter popularity. Facts indicate that the ranks of its supporters have reduced to the traditional level of party devotion, although both in 1980 and 1984 there was an appreciable increase in mass support. Political observers can only guess what has been the main reason for the changes in the sympathies of the electorate. Is it the change in the situation on the international scene, where, as many believe, a "new image" of the socialist countries, primarily the USSR, is appearing? Is it the uneasy expectation of an economic crisis, being urged on by the continuing budget deficit and the memorable stock market panic? Is it the revival of the Democratic Party², which has been able, it seems, to "digest" Reaganism, adopt its experience, and begin purging liberalism of the orthodox vestiges of the 1960's? The facts also indicate the weariness of the "imperial rule" of R. Reagan and Congress' aspirations for a new, independent role following the 1986 elections. Confirmation of the changes which have begun is the intensification of the inner-party struggle—unprecedented since the 1980 elections, when the party became an avenue for a sizable contingent of ultraconservative politicians, headed by R. Reagan, to penetrate to the highest level of state leadership. But whereas the centrist faction in the party was divided in the 1980 campaign and the right wing rallied round one candidate, it is all reversed in the current campaign: The ranks of the right wing are divided, but the centrists have preserved their unity. As a result, although the center-right bloc in the party has been preserved, it is not the Right but the centrists, representatives of the moderate-conservative trend in the Republican Party, who are now the active force. Many predicted beforehand the outcome of the struggle in the party for the nomination as presidential candidate. Nevertheless, it was not devoid of tension and dramatic effect. Six candidates participated in it, and each of them was supported by a small but cohesive group of influential federal and state party

leaders. From the very beginning of the election campaign, U.S. Vice-President G. Bush had the strongest position in the (inner) party struggle. He entered the campaign as the leader of the centrist group of leaders, having enlisted the support of the President. This group not only withstood the onslaught of the ultraconservatives in the late 1970's and first half of the 1980's, but also considerably expanded and strengthened its influence during the Reagan presidency. The influence of the centrists increased quite noticeably after 1986, when the Democrats' victory in the congressional elections proved the ultraconservatives' hopes for (long) term mass support to be unfounded. The most pragmatic "Reaganites," basically from among members of the administration, gradually began shifting to the side of G. Bush. But an opposition to this candidacy also began to show on the part of "ideological ultraconservatives"—a coalition of the "new" and "old" who advocated continuing without compromise the "Reagan revolution" and criticized the President himself for departing from its principles.³ Taking the division of forces into account, several prominent politicians tried to compete for Bush's front-runner status: Senate Minority Leader R. Dole; New York Congressman J. Kemp; fundamentalist minister P. Robertson; former Secretary of State A. Haig; and former Governor of Delaware P. du Pont. They were all supported to a greater or lesser degree in the struggle against Bush by the right wing of the party.⁴ Dole was Bush's most serious rival in the primaries. Coming from a large farming environment, he had much experience in working in Congress, during which he evolved from the right wing toward the center. More than once Dole demonstrated his outstanding political abilities both as an elected politician (he won eight campaigns for a seat in Congress) and as an experienced leader, a master of compromise—in the role of majority leader and then as minority leader of the Republicans in the Senate. Unlike Bush, Dole had quite close ties to the right wing of the party: He has long been a member of a number of non-party political organizations of ultraconservatives. His advantage was also in ties with influential circles of party leaders in Congress (primarily among representatives of the "Farmers' Caucus"). Finally, he could attract part of the votes of the traditionally Democratic electorate—for example, the elderly and handicapped. Being partially paralyzed after being wounded during World War II, Dole made concern for these population groups one of the loud slogans of his campaign.⁵ Public opinion polls indicated that he could conduct an election campaign much more successfully than Bush. Appealing to the ordinary American, he was perceived less by the voters as a representative of the political elite. Dole's tactics pursued the goal of uniting voters in a broad coalition—from ultraconservative populists on the right to conservative Democrats and independents on the left. This tactic was aimed at preserving the majority which Reagan managed to win in 1980 and 1984, when southerners and young people voted for him. The offensive, dynamic style of his campaign convinced many that the party's hope was precisely in Dole's candidacy. If successful, he could instill new meaning in the decrepit

slogans of the center-right bloc, broaden the mass base, and hurl back advancing Democrats. But although in the initial stage of the election primaries Dole was "stepping on the heels" of Bush, the results of the New Hampshire primary and the defeat on "Super Tuesday" (elections held on 8 March in 17 southern states and adjacent states) showed that the "broad bloc" tactic had failed. What had worked during the times of triumph of the conservatives, when Democrats were on the defensive, did not work now. In addition, a vacuum had also formed in the center of the coalition he had formed: Many moderate Republicans and some administration officials interested in the continuity of White House policy supported Bush. A. Haig has become another candidate around whom the elite figures of the center have rallied. A regular military man linked to military-industrial circles by kindred ties and business contacts, Haig represented them in the first Reagan administration and, feeling powerful support behind him, often strained relations with the President's "plebeian" California entourage. As a result of sharp disputes, he was forced to hand in his resignation and went to work for a military-industrial corporation, United Technologies. Later on, Haig published his book of memoirs, "Caveat," and accused the President of delegating authority in the sphere of foreign policy to incompetent, unprofessional representatives of provincial America, but not to the political elite of the Republicans. However, Haig was supported by less than 5 percent of the voters. During the course of the campaign, the right wing nominated three active candidates. One of them, J. Kemp, a professional football player in the past, in the early 1970's followed the lead of prominent rightwing politicians, above all R. Reagan. Entering the campaign, Kemp counted on capturing the spot being vacated by the leader of the Right. His program: determined opposition to tax increases; continuing the policy of "supply-side economics" and cutting federal budget expenditures in the social sphere while increasing defense expenditures; and, finally, a "hard" line in foreign policy (he openly stated his "distrust" of the arms reduction process). Kemp tried to turn his campaign into a referendum on the SDI program, counting on playing on the fear and desire for personal security of incompetent voters. He was supported by a majority of ultraconservatives of the "old" Right (including members of the U.S. Congress) who would like to revive Reagan's model program of 1980.⁶ The nomination of P. Robertson as a candidate, a fundamentalist preacher and one of the leaders of the rightwing populists, indicated the division in the right wing of the party. Robertson's life was unusual for a candidate: a half-educated student, a minister, a faith healer, an owner of a major television company, and a person who had proclaimed himself to be a "prophet of God." He became famous for the fact that he "diverted a hurricane" away from the coast of Virginia and, "having received special knowledge from God," predicted disasters—for example, a worldwide disaster and nuclear war in 1990. Robertson skillfully alternates his prayers and predictions with fundraising appeals, as a result of which he has collected up to 200

million dollars a year.⁷ In 1981 he founded the Freedom Council, an organization which helped elect rightwing Christians to public office. By the mid-1980's it had up to 200,000 members, a solid base for nominating a candidate. Taking advantage of voter dissatisfaction with the domination of politics by representatives of "corporate club" America, bureaucrats, and intellectuals, he counted on nationalistic, reactionary utopian, and religious sentiments and on ordinary people's distrust of government officials. Robertson played on the weakening of traditional moral principles and discontent over crime, pornography, corruption, and the indifference of bureaucrats. He idealized the "good old days," when there were "fewer vices" and when life and politics were perceived to be simpler and more understandable.... His influence grew stronger among the least educated, traditionalist sections of society. The Robertson-Kemp clash marked the end of the former unity on the right wing. The coalition of the "new" and "old" right, which comprised the nucleus of "ideological ultraconservatism," collapsed. The more pragmatic, polished "old" rightwing and ultraconservative experts from the Hoover Institute, the Center for Strategic and International Studies at Georgetown University, the Heritage Foundation, and other leading research organizations of conservatives were demonstrating a greater tendency toward compromise with moderates (which determined Kemp's later decision to join the Bush campaign). Meanwhile, religious ultraconservatives and rightwing populists, the mass nucleus of "ideological ultraconservatism", began promoting new leaders from their midst who entered into a conflict with party functionaries in attempts to bring Robertson supporters as delegates to the party convention. This small but active faction retained an ideological irreconcilability and political hostility to Bush, even after Robertson was forced to accept defeat. This hostility reached so far that they began seriously talking about switching to positions of "defeatism" in the elections, fearing that a Bush victory would move "ideological ultraconservatism" to the background for a long time.⁸ Rightwing Republicans were represented in the election campaign by another candidate, though of a much lesser caliber. He was testing his forces for the first time in the struggle for the top public office. We are talking about P. du Pont, the former governor of Delaware, from one of the richest families in the United States. In this campaign he was hoping to gain nationwide recognition and test the slogans of his ultraconservative arsenal for participation in political battles in the future. He stood up for segregation in public education, demanding the abolition of "busing" (transporting black children to schools for whites in buses) and for introducing prayer in public schools. He spoke out against the regulating role of the state in the economy, for increasing presidential power to the detriment of the legislative branch, and decisively supported the "freedom fighters" in Nicaragua, Angola, and Afghanistan.⁹ The voters did not support him, however, and he quickly left the race. Rightwing Republicans, divided into supporters for Robertson, Kemp, and Dole, did not wage a campaign for long. By March

1988, following "Super Tuesday," it could already be established from the voting results in the southern and bordering states that they had not managed to achieve their goals. Thus, Kemp, who sought to consolidate the conservative movement, was unable to repeat Reagan's success of 1980. He could neither neutralize the rightwing populists led by Robertson¹⁰ nor tear the centrists away from Bush. Dole's candidacy, which served as a refuge for those rightwingers who were sick of Robertson's primitivism and hysterics and Kemp's lack of new ideas, also failed. The division of the rightwing Republicans became an important factor in Bush's success, who virtually did not see defeat after New Hampshire. However, prior to 8 March his opponents altogether had managed to collect up to 40 percent of the votes, which indicated the presence of serious forces in the Republican Party who were skeptical of him as a leader. Bush still had to attract these forces into his camp. Nevertheless, his victory in the primaries indicated that the political center in the Republican Party was continuing to shift toward more moderateness (hypothetically to the left). Having lost their unity, the rightwing Republicans were no longer able either politically or ideologically to press the moderate Republicans: The innovative potential of their recommendations for government administration had dried up. Another thing was also cleared up: The prognoses about the disintegration of the center-right grouping in the party, which supported Reagan during all his years in office, were not confirmed. Bush not only managed to retain its nucleus but was also able, with its help, to defeat his rivals. On the electoral level, the preservation of the center-right bloc resulted in a narrowing of the spectrum of party supporters to its traditional range. At the same time, the circle of leaders who could participate actively in developing government strategy for the next few years also narrowed. While a change of leaders was taking place in the Democratic Party and their new generation, politically shaped in the 1960's, was coming to the forefront, no such thing was observed in the Republican Party. The average age of the seven Republican candidates was 52, and the "old men" proved to be the strongest (Bush at 62 and Dole at 63), while the average age of the eight Democratic candidates was 47 (for example, A. Gore—39, J. Jackson—45, M. Dukakis—53, J. Biden—44).¹¹ All of this seriously limits the party's innovative potential. The continuing tendency toward the center-right alliance explains why it was difficult to delimit clearly the ideological and political positions of the party's center (Bush) and its right wing (Robertson and Kemp). Bush's views themselves are fairly conservative. He is convinced of the need to conduct foreign policy from a position of strength, is an advocate of a "free-market economy," is opposed to raising taxes, believes it is necessary to balance the federal budget, and in principle shares the ideas of cutting social expenditures, although he does not want to give it straight from the shoulder, considering the sentiments in the country. The rightwing Republicans' complaints about Bush are fairly sweeping, but are not of a

fundamental nature. In exchange for support, for example, they demand a firm promise to appoint conservatives to the Supreme Court, to the White House staff, and to the Cabinet, and they insist on raising the "ideological" level of the election campaign (clear statements on the struggle against communism, the banning of abortions, the reduction of federal spending, and the prevention of any tax hikes). They have also advanced demands to appoint an ultraconservative as vice president (for example, Kemp or Senator W. Armstrong from Colorado). Rightwing Republicans also believe that the current vice president is not firm enough in protecting SDI and promising aid to the Nicaraguan contras. Ideological vagueness and pragmatism have become characteristic features of the ideological and political situation in the Republican Party. Its centrist groupings have evolved to the right under the influence of Reaganism, but then the right wing has weakened its former ideological adherence to principle, having encountered the reality of government administration. In any event, the axis of contradictions has sort of shifted from the ideological level to a sociocultural level: The rightwing populists are hostile to Bush, seeing him as a representative of "corporate club" and elitist America, for which they have an instinctive distrust. Hostility towards Bush also has a historical reason: His father was one of the leaders of the "Eisenhower Republicans" in the Senate, an advocate of the "new conservatism," and an active fighter against Republican traditionalists (the "Old Guard" led by R. Taft). Bush himself at the beginning of his political career had to struggle with the rightwingers: When he was elected party committee chairman in 1963 in Harris County, Texas, he was opposed by a protege of the John Birch Society, which had controlled this post since the late 1950's.¹² It is noteworthy that during the course of the campaign Bush's entourage has not expressed any special concern over the discontent in the right wing. His campaign director, L. Atwater, confidently maintained that in any event the conservatives would not vote for Dukakis. True, the more conservative supporters of the vice president have been trying to persuade him to be concerned not only about the votes of the rightwingers, but also of their assistance.¹³ Some of Bush's maneuvers during the drafting of the party platform were meant to appease the right wing. Politicians popular among conservatives were appointed to the group responsible for drafting the platform—New Hampshire Governor J. Sununu and political consultant C. Black. Bush also familiarized himself with the "agenda" prepared for the future Republican president by ultraconservative research centers, the Heritage Foundation and the Free Congress Research and Education Foundation.¹⁴ Bush's strategists did not devise anything new in their relations with the right. They preferred to adhere to the tactics which had already been proven during Reagan's second term: a precisely measured dose of ideological tension in policy combined with a sober, pragmatic line in governing. The only difference here is that those around Bush carried out the tactic even more openly. After May and June 1988, when the first phase of the campaign was over and the main candidates were

determined in both parties, the election struggle took on a fundamentally different trend. Dissension within the party came to naught, and the Republicans turned to face their chief opponent, Dukakis. In this phase, Bush had to carry out several important tasks: first, achieve the organizational consolidation of the party and resolve the problem of "ideological ultraconservatism"; second, propose a program to the voters which would attract part of the Democrats' electorate to the party. Was Bush able to carry this out? Perhaps only the elections will give a clear answer. But we can already establish that the difficulties which the new party leaders encountered in trying to find the necessary solution were quite considerable. They were primarily caused by the fact that the party has no clear program for the future. It has to appeal to the voters with the glorious past. But Reagan's political course was modified after the unsuccessful ultraconservative sudden attack of the 1980's and in its pragmatic variant does not evoke enthusiasm, since it brings innovation. Is a continuation of the previous course capable of fundamentally changing the situation in the country? Yes, inflation and unemployment figures are favorable, and the unusually long period of economic growth is continuing, but at the same time there is a feeling of unreliability and temporariness to this cycle. The situation is increasingly perceived as a temporary respite for regrouping of forces, but will a spurt follow? And whereas Reagan is forgiven for his passivity, much more is expected of his successor. Another thing can be confidently established. The Reagan presidency brought out the limits of possibilities of a conservative policy. The nucleus of Reaganism (above all, anti-government, reliance on the market and individualistic activism) has for a long time, obviously, been consolidated in political practice and has received proper recognition even among Democrats; however, many relapses of Republican traditionalism are simply offensive in the changed social and political situation. This primarily concerns the government's social policy in which the "simple solution" proposed by ultraconservatives, calling for budget cuts, has very quickly turned against the party, narrowing its mass support. A more flexible approach is needed, and time has shown that Republicanism is not ready to propose it. A similar situation has developed in the area of foreign and military policy, where relapses of Republican traditionalism also can slow down progress. The devotion of the orthodoxly thinking supporters of a strong approach in foreign policy to SDI and increasing the military budget is placing progress in the area of arms reductions in doubt. There were differences among the candidates of both parties on approaches to the INF Treaty, but whereas the differences among the Democrats were not fundamental in nature, among the Republican candidates there were profound differences. Only Vice-President Bush unequivocally supported the treaty, while Haig, Kemp, Robertson, and du Pont spoke out against it, and Dole stipulated his support with a number of reservations.¹⁵ The differences undermined the opportunity for the Republicans to use this agreement to their advantage and force the Democrats to move from

"defensive" positions in foreign policy. It is even maintained that the treaty benefited the Democrats, since it made the Republicans' calls for further increases in the military budget unfounded.¹⁶ The Republicans' difficulties are to a considerable extent the result of a transformation of liberalism and the arrival of a new generation of leaders in the Democratic Party. One cannot overestimate the influence of Reaganism as an accelerator in the restructuring of the Democrats' ideological and political doctrine. True, this transformation was agonizing and gave rise to disputes with orthodox liberals. Nevertheless, the change occurred: The positions of "new wave" Democrats became stronger, among whom were many candidates (M. Dukakis, R. Gephardt, J. Biden, B. Babbitt, and others). This new galaxy of leaders considers traditional liberal methods of government administration to be outdated and sees as its task to destroy that doctrinal variety of liberalism which is associated with the names of L. Johnson and H. Humphrey and which became ideological dogma. The new leaders have derived much from the experience of Reaganism: for example, the negative attitude toward bureaucratic government and preference for natural (economic and sociopsychological) levers over administrative regulation; understanding the futility of excessive centralization and concentration of powers in the federal government. The new look of the Democratic Party today is perhaps the most serious obstacle in the Republicans' path to the White House and Capitol Hill. In fact, in the early 1980's the Republican Party came into office under conditions of disillusionment with liberal reformism in all sections of American society. At that time the Republicans were able to offer a simple and alluring solution: Scoop traditionalism from the money-box, shake the dust off forgotten slogans of employer activism and reliance on our own forces, self-regulation and anti-government, tax cuts and cuts in federal spending.... The forgotten old things at first created the impression of something new. But the money-box of traditionalism very quickly showed the bottom. The conservative cycle in the United States has apparently ended, in the sense that the traditionalist approach to government administration has shown the limits of its possibilities. The current social and political situation in the United States and on the international scene requires new approaches as never before. But the Republican Party has reached this boundary ill-prepared. It seems the new party leaders have no place from where to draw ideas. The habit of many decades is having an effect: Republican leaders have forgotten how to draw ideas from anywhere other than the right wing. If a linear prognostication of events were possible in politics, it would not be difficult to foresee that only two roads lead from this crossroads. The first is to turn to ideologists of ultraconservative populism for ideas; in other words, return to the Reagan model program of 1980 and even deepen it. But it has already demonstrated its lack of vitality, and Reagan himself abandoned it as the basis of his administration's activities. The second is deliberately to concede the initiative to the Democrats, refusing any changes. But in reality, a different development of events is possible.

Bush became the leader of the party precisely because he is trying to discover some third path, naturally sufficient passive, since any original program for the future requires evaluation of the results of Reaganism and criticism of it, and Reagan's successors are not ready for serious criticism. Therefore, Bush and the forces who have rallied around him are counting more on the inertia of Reaganism and on the contradictions among "new wave" and "orthodox" Democrats, and also representatives of the liberal-left ethnic bloc headed by J. Jackson. This group of Republican leaders believe that changes are possible, but they must not be major changes; it is necessary only to purge Reaganism of the ineffective and offensive extremes in order to make his policy more attractive in the eyes of the voters. This involves repeating the tactics of the 1984 campaign, when Reagan was able to apply cosmetics to the administration's activities, including in it women and representatives of intellectuals and ethnic minorities, and also sharply reducing the heat of ideological rhetoric. But times have changed. Today's difficulties for the Republican Party are largely the result of the Reagan administration's activities. It is the one responsible for the increase in the budget deficit, the escalation of corruption in the top levels of government, the unconstitutional actions related to violating the prerogatives of Congress and deception over the Iran-Contra affair. For the time being, there are no signs that the new party leadership will be able to free itself of this burden and find and propose new solutions to vitally important problems of domestic and foreign policy. The Republican national convention held in mid-August in New Orleans confirmed the basic trends in the alignment of political forces in the party and in the evolution of its doctrine. The convention officially declared Vice-President Bush its candidate for president of the United States. He solemnly promised Americans "peace and prosperity" if he wins in the November elections. Despite the numerous promises and flowery rhetoric, neither Bush's speech at the closing of the convention nor the Republican election platform, unanimously approved by the delegates, contained any new ideas or methods for solving the most important problems of American society, but repeated old Reagan recipes of the 1980 campaign with their emphasis on tax cuts and healthy economic growth. Some attempts have been undertaken to renovate the ruling party's program in the area of domestic policy by increasing emphasis on problems of education, environmental protection, and child care. At the same time, under obvious pressure from the far right, the 1988 Republican platform included demands on banning abortion and introducing mandatory prayer in schools and eliminated support for a constitutional amendment on equal rights for women. The influence of the right was also reflected in the international section of the program. It proclaimed a strength approach to foreign policy. "Peace from a position of strength is a proven policy," the Republicans' manifesto states. It maintains that it was the buildup of U.S. military might that made it possible to conclude the Soviet-American INF Treaty. Whereas before the convention Bush made only vague statements about SDI,

the program promises rapid and mandatory deployment of a large-scale anti-missile system envisioned by SDI. At the same time, in his speech at the convention, Bush cited reducing the strategic nuclear arsenals of the United States and USSR and decreasing military confrontation in Europe, while simultaneously maintaining and building up American military might, as one of the top-priority foreign policy tasks. Bush's desire to strengthen his positions among "ideological conservatives" and achieve party unity also largely explains his selection of ultraconservative Indiana Senator D. Quayle as vice-presidential candidate. Bush's decision to take as his running mate a relatively unknown young senator (Quayle is 41) from a privileged family of publishers in Indiana was kept in strictest secrecy and proved to be the only surprise of the convention. Organizers of the Bush campaign count on the Quayle candidacy to make it possible to strengthen the positions of the "tandem of millionaires" in the Midwest (judging from the polls, Bush could have problems in this region) and to secure support from young people and women. According to the scheme of the Republican Party leadership, nominating a "young leader" to whom the "prospects for the future are linked" should signify the entrance of a new generation of conservatives into the political struggle, heirs to the "Reagan revolution."

Footnotes

1. American observers include the following among the most important unpredictable factors capable of influencing the decision of undecided voters: televised debates; publication of data on the economic condition of the country by the Department of Labor; and, finally, unemployment figures for October, which will be made public 4 days before the election.
2. On the situation in the Democratic Party, see article by V.M. Zubok and A.N. Darchiyev, "Democrats on the Eve of the Election," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1988.
3. NATIONAL JOURNAL, 12 September 1987, pp 2263-2264.
4. Former Senator P. Laxalt of Nevada, who was supported by a narrow circle of "Reagan loyalists," also fought for support of the party's right wing, but withdrew his candidacy before the start of the primaries.
5. FORTUNE, 18 October 1982, pp 126-140.
6. NATIONAL REVIEW, 19 February 1988, pp 28-30.
7. LE MONDE DIPLOMATIQUE, September 1986.
8. On trends of division of the Reagan party grouping, see DISSENT, Winter 1987/88, pp 20-22.
9. CHRISTIAN SCIENCE MONITOR, 11 July 1986; TIME, 7 September 1987, pp 25-26.

10. This was demonstrated already in the elections in Iowa, where Robertson managed to beat not only Kemp but also Bush (CONGRESSIONAL QUARTERLY WEEKLY REPORT, 13 February 1988, pp 287-291).

11. THE WASHINGTON POST, 18 May 1987.

12. INSIGHT, 19 October 1987, pp 9-10.

13. THE WALL STREET JOURNAL, 16 April 1988.

14. THE NEW YORK TIMES, 28 April 1988.

15. Ibid., 27 November 1987. 16. THE WASHINGTON TIMES, 5 December 1987.

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Economic Pressures Against Further Defense Buildup

18030004c Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA In Russian No 10, Oct 88 (signed to press 22 Sep 88) pp 23-31

[Article by Marina Sergeyevna Kalashnikova, candidate of historical sciences and researcher at Institute of U.S. and Canadian Studies: "Militarism on the Defensive? (New Trends in Assessment of Role of Military-Industrial Complex)"]

[Text] American public views on economic and political priorities are changing. Domestic problems are advancing to the forefront. As far as foreign policy is concerned, attitudes in favor of better relations with the USSR and agreements on arms reduction are taking the place of the earlier support for the buildup of military strength.¹ These attitudes and the factors giving rise to them must be taken into account by members of the U.S. political elite. In particular, these changes can be seen clearly in a presidential campaign, which is regarded as an indicator of public attitudes and expectations.

Governor M. Dukakis of Massachusetts, the Democratic Party's candidate, has taken every opportunity to publicize his proposed renunciation of the nuclear arms race in his state. Special studies conducted at his request not only substantiate the possibility of conversion (redirecting the military industry into civilian channels) and its beneficial effect on the local economy but also propose specific ways of carrying out this program. Dukakis is portraying his activity in Massachusetts as the first step on the road to the elimination of nuclear weapons, and this is contributing to his success in the race against G. Bush. The popularity of these ideas and the broad support for them, even if they are only ideas at this point, attest to important changes in the American society.

Military-Industrial Complex Under Attack by Critics

Economic and political realities are forcing America to question the limits and prospects of the influence of the military-industrial complex in the American society and to reconsider its strengths and weaknesses.

The last 2 years of the Carter administration and the first 4 years of the Reagan administration were marked by military budget growth unprecedented in peacetime in U.S. history in terms of duration and speed—8 percent a year on the average with adjustments for inflation. The amount spent on military needs between 1982 and 1985 was greater than the amounts spent during the years of aggression in Vietnam or the Korean War.²

One of the results of "Reaganism" is a huge federal deficit, the growth of which over the past 7 years has increased the federal debt from 1 trillion dollars to 2.5 trillion. The annual interest paid on this debt has already reached 144.7 billion dollars.³ Administration policy has also led to crisis in some industries, the reduction of the competitive potential of American goods, financial and currency instability, the expansion of foreign capital in the United States, and imbalances in international trade. The reduction of budgetary capabilities is exacerbating the social problems that have not been solved in the "Reagan era," including the costly battle against AIDS, the need for higher social security payments, the decline of the level of education, urban blight, and the rapidly rising cost of medical care.

These problems must be solved with a view to the long-term economic well-being of the United States. The ways and means of surmounting economic difficulties now constitute the most crucial political issue, and these problems cannot be resolved without sizable cuts in military spending.

In recent years Congress has imposed a freeze on military appropriations and has slashed several programs. Furthermore, this "restrictive" tendency is growing stronger. From 1982 to 1984 the Pentagon's requests were reduced annually by around 15 billion dollars and were redistributed among many budget items in such a way as to avoid hurting the production of the main types of weapons (the binary chemical weapon program was the only major program to suffer defeat at that time). The total military allocations for fiscal year 1989, approved by the House of Representatives this June, were almost 33 billion dollars less than administration requests; furthermore, arms purchases suffered the most sizable cuts: 18 programs were cancelled, including programs for the production of the Midgetman missile and the A-6F bomber for aircraft carriers. Funds for SDI were cut from 4.8 billion dollars to 3.2 billion.⁴

Congress is criticizing the White House, saying that the largest peacetime military budget in history has not secured the attainment of the main political objective of U.S. military superiority and a change in the military

balance of power in the United States' favor. The "buildup," the legislators say, should be called the "spend-up." According to congressional studies, the increase in allocations for arms purchases is far in excess of the increase in their volume. The higher expenditures cannot be blamed completely on the expansion of R & D. The Pentagon has taken advantage of inflation by requesting much larger sums than those needed to compensate for inflation. The extra funds intended to compensate for inflation from 1982 to 1986 reached the unprecedented figure of 39.5 billion dollars (excluding the rise in fuel prices). Congressional experts have called this stimulation of military expenditures disproportionate to the real increase in military strength a venture the military-industrial complex has launched for the sake of high profits and stronger political influence.⁵ Because of the current changes in the American society, however, the result has been the opposite: The military-industrial complex is losing more and more of its authority and is arousing scathing criticism.

According to polls conducted by the Public Agenda foundation, the Americans' worries about domestic problems are having the same effect. "Economic strength is more important than military strength" and "Economic rivals pose a greater threat to U.S. national security than military rivals"—these are the conclusions shared by the majority of the population (62 and 59 percent respectively). The idea that U.S. foreign policy should aid in the resolution of domestic problems in the next few years, with cuts in military spending and other adjustments, is becoming the strong conviction of broad segments of the American public. Around 79 percent and 71 percent of the Americans agreed respectively with the statements that "Expenditures on the arms race have led to the neglect of domestic problems" and that "The arms race with the Soviets is too expensive."

The birth of realistic attitudes was also made possible by the growing awareness on the part of more and more Americans of the political irrationality of the nuclear arms race and the impossibility of "accumulating" more security with the aid of this race. Changes in the USSR's foreign policy contributed to this substantially. They are debunking propaganda stereotypes (the "enemy image" and the possibility of winning a nuclear conflict) and are forcing the administration to respond constructively to Soviet initiatives. According to polls, 7 out of every 10 Americans believe that any mutual reduction of USSR and U.S. nuclear arsenals will make the world safer in general and will heighten the security of the United States in particular. The progress in the Soviet-American talks has dramatically reduced the ability of the military-industrial complex to speculate on the myth of the "Soviet threat."

The declining prestige of military programs among the American people and in the business community and their more pointed discussion by the mass media and by specialists are having an impact in national politics. Above all, this applies to SDI, the MX and Midgetman

missiles, and the Stealth bomber. Many experts from Harvard and the Brookings Institution believe that the cancellation of these programs would not weaken U.S. security and that the next administration—Republican or Democratic—will have to cut military expenditures anyway.

Some specialists have gone even further and have suggested profound changes in strategy for the long-range elimination of the need for military budget growth. In particular, Johns Hopkins University has proposed the elimination of the five American divisions of the ten earmarked for NATO needs that are stationed in the United States and the retention of only the five based in Europe and has also suggested an increase in the allies' contribution to the NATO budget for the alleviation of the U.S. burden of military expenditures.⁷

The awareness of the inevitability of cuts in military spending has even reached the Pentagon and is influencing its plans.

The new secretary of defense, by his own admission, had to accept the budget ceilings set by Congress for fiscal year 1989 as a "fait accompli," although F. Carlucci disagrees with the Capitol on these matters just as vehemently as his predecessor did. In any case, his new draft budget differed from the original draft submitted by President Reagan in the limited funding for certain programs and in a change in priorities, particularly the real reduction of funds for arms purchases (by 4.3 percent in comparison with fiscal year 1988). It is indicative that SDI is now being opposed by more officials in the Pentagon itself, where people are willing to sacrifice it for the sake of other programs that seem more "reliable" and useful to various military departments and the lobbies of military-industrial corporations. Carlucci's long-range goal is to secure the stability of real (in constant prices) military expenditures in the next 5 years, whereas Weinberger's draft presupposed an annual increase of 3 percent. These tendencies are sure to be opposed by the military-industrial complex. The chief priority is the continuation of the ongoing production of the majority of the main types of weapons; despite new items in the military budget, funds were allocated for the continuation of this earlier production at the rate anticipated by the administration.⁸ Military firms are adapting to the prospect of the reduction of the nuclear arsenal by diversifying and drawing up plans for alternative weapons. These include a military spacecraft, a highly accurate cruise missile, and certain types of conventional weapons with as much destructive force as nuclear weapons. Of course, the military-industrial complex is still a serious force in politics and is supported by influential circles and groups of capital. They are speculating on the most painful issue—the prospects for economic development and employment in the conflicting atmospheres of military production growth and reduction.

Many economists and sociologists argue that the military sector creates advantages by augmenting production workloads, creating new jobs, neutralizing the effects of economic crises, and enhancing the United States' competitive potential in advanced technology industries.⁹ In their opinion, economic growth in many parts of the country has been a direct result of military contracts in the last decade.

There is also, however, the opposite point of view. Numerous studies have been conducted since the early 1960's to corroborate the adverse effects of military production on the economy. Their results were deliberately concealed during the Reagan administration's escalation of the arms race. Today the traditional criticism of the scientists and activists of the peace movement is coming to the fore again and is becoming a tangible political factor.

Above all, the role of military contracts as a source of jobs and an accelerator of economic development is being questioned. One of the most popular arguments of the opponents of the military-industrial complex is that capital invested in civilian spheres of the economy creates many times more jobs than equivalent investments in the defense industry.¹⁰ The stimulating effect of military contracts on the economy, according to these experts, is short-lived and is usually confined to specific regions. Over the long range, the augmentation of military potential will be accompanied by a larger budget deficit, a weaker credit and financial system, and a higher rate of inflation. All of these imbalances will disrupt the normal course of social reproduction.

The statements of both sides about the effect of military production on the society are debatable, but the most obvious weak spot in the position of the military-industrial complex is probably the shortage of full-scale military business among the leading U.S. corporations. Military contracts usually account for only a negligible percentage of their total sales. Furthermore, the military-industrial firms which specialize in deliveries to the Pentagon and are among its main contractors are few in number and are low on the list of leading American corporations. For example, only 7 of the 50 U.S. companies with the highest sales volume in 1986 could be categorized as military-industrial firms. What is more, the Boeing company was only 16th on the list, United Technologies was 17th, McDonnell Douglas was 23d, Rockwell International was 24th, Lockheed was 30th, General Dynamics was 36th, and Raytheon was 48th. Even their combined sales were surpassed by the corporate giant at the top of the list, General Motors. It is indicative that even a company as well-known as General Dynamics, one of the main participants in the production of aircraft, tanks, missiles, and nuclear submarines, had less than half the sales volume of the Philip Morris Tobacco corporation, which was 12th on the list in 1986.¹¹ The real economic influence of military-industrial firms is far inferior to the political role they would like to play in the society.

The monopolist bourgeoisie still derives most of its profit from civilian production. The redistribution of surplus value through the military budget in favor of military firms—and to the dissatisfaction of civilian firms—represents a potential sphere of conflicting interests. Even in this case the balance of power is not in favor of the military-industrial firms, which represent the minority: 450 of the 500 main corporations in the United States have no direct connection with military business.¹²

In the regional context, the military-industrial complex has discredited itself several times in the eyes of voters in certain states in situations when changes in the distribution of contracts led to economic recession and unemployment. One of the most vivid examples was the crisis in the state of Washington at the end of the 1960's. The reduction of contracts for aerospace equipment forced the Boeing company, the largest employer in the state, to dismiss tens of thousands of workers and engineers. Similar developments had a negative effect on the economy of the San Fernando Valley in California, which is filled with plants working on military contracts. American political scientists expected the typical pro-militarist political culture to take shape here, but this did not happen: The reduction of military contracts in the late 1960's and early 1970's led to severe unemployment, and this had a sobering effect on the voters and congressmen who had been leaning toward the right.

Negative feelings about the military business have taken shape at different times and for different reasons in many cities, counties, and states. In some cases this situation can be regarded as a result of liberal traditions and the painful experience of economic problems connected with the prolonged existence of a developed military industry (Massachusetts and Connecticut). In other cases the local plants are among the Pentagon's main contractors and are guaranteed military contracts; for this reason, the struggle for their distribution is not of crucial importance in the local economy and is easily overshadowed by the socioeconomic and ecological problems with indisputable priority (St. Louis, Denver, the Minneapolis-St. Paul agglomerate, and others).

In the 1970's these regions already represented the weak links of the regional structure of the military-industrial complex, where it had limited political influence although it was already firmly ensconced in the economy. The current reversal does not mean only that the number of these cities and regions is increasing. New economic thinking is taking shape on the state level and rejecting military appropriations as a source of prosperity. Priority is being assigned to the establishment of an economic infrastructure capable of promoting stepped-up industrial development and surmounting financial difficulties.

The Massachusetts Alternative

This is precisely the approach with which M. Dukakis armed himself. His position is all the more noteworthy

because Massachusetts plays a special role in the Pentagon's plans—and not only because it has always been among the leading states in terms of military contract volume in recent decades. Powerful scientific, technical, and production potential is being used here as the basis for projects connected with the use of fundamentally new scientific achievements for military purposes, the realization of part of the programs for the development of major weapons systems (the MX ICBM, the Minuteman, the Trident ballistic missiles for submarines, and SDI), the perfection of strategic missiles, and the development of the command, control, communications and intelligence system. Military contracts have traditionally played an important role in the state economy (in fiscal year 1985 their volume was equivalent to around 9 percent of the value of the state gross product), and at the beginning of the 1980's the state became more involved in nuclear arms programs (17 percent of all military contracts in fiscal year 1985).¹³ Nevertheless, these programs were vigorously opposed by the public and the leaders of the state. Governor Dukakis' political slogans of the mid-1980's included an appeal for the elimination of nuclear weapons and the prevention of nuclear war.

The creation of the Governor's Advisory Committee on the Impact of the Nuclear Arms Race on the State of Massachusetts at the suggestion of Governor Dukakis in 1985 was a practical step in this direction. A special report was published on the results of the committee's work to convince the business community and the public that the renunciation of military contracts under the conditions of Dukakis' efforts to improve the local economy would not have a catastrophic effect and would provide additional opportunities for the stepped-up industrial and social development of the state. Dukakis and his advisers deny the statement that economic growth in the 1980's was a result of Reagan's arms buildup policy and that this policy supposedly helped Massachusetts' high technology industry. They maintain that the success was not due to reliance on military programs, which did not protect the state against crises in previous years, but to a series of bold experiments in the sphere of taxation, company credit, and vocational training as an alternative to traditional types of social welfare. The unification of the efforts of "semi-official" establishments, labor unions, local government agencies, business, and scientists, they assert, also served as a catalyst of economic growth.

The following arguments are cited to support these conclusions: In 1975, when M. Dukakis won the gubernatorial race and became the head of the state government, the economy in Massachusetts was experiencing a severe crisis. The rate of unemployment was over 11 percent (the third- worst indicator in the country) and the rate of taxation was one of the highest in the country.¹⁴ Even then, Massachusetts was among the top five states in terms of Pentagon contract volume. By the middle of the 1980's the "new approach" had made Massachusetts one of the nation's leaders in the rate and level of economic development. It had the lowest rate of

unemployment, the highest rate of per capita income growth, and a balanced sectorial structure which would sustain economic stability even in the event of crisis in one sector.¹⁵

After Dukakis regained the office of governor in 1982 (he was defeated in 1978), the level of unemployment declined from 7.9 percent to 3.9 percent (in 1986), and per capita income was 20 percent higher than the national average. Massachusetts had the nation's first universal system of social insurance and health care.¹⁶ Today the state is regarded as the embodiment of prosperity and a model for the technological restructuring of America. All of this allowed Dukakis to publicize himself as a "miracle worker."

The committee's report cites statistics attesting to favorable conditions for conversion and to its beneficial effect on the economy. It says that under the conditions of low unemployment, economic diversification, and a strong scientific and technical base, the labor market can easily take care of most of the engineering and technical personnel released from the sphere of nuclear arms development and production. Around 68 percent of the "nuclear" contracts in fiscal year 1985 were awarded to enterprises concentrated within the world-renowned "technological belt" around Boston, where extensive research is also being conducted for civilian needs. Furthermore, it turned out that the economic impact of projects connected with nuclear arms was not as great as it was reputed to be: The work on programs costing 1.5 billion dollars in fiscal year 1985 secured only 1 percent of total employment in the state, and the programs were equivalent to only 1.5 percent of the value of its gross product. The expansion of these programs in fiscal years 1983-1985 secured no more than 7 percent of the total increase in jobs during that period. What is more, the redirection of allocations into such spheres as construction, education, or public health could have provided several times as many new jobs, according to the experts on the committee. When the committee investigated the possibility of giving up "nuclear" contracts, it cited statistics attesting to the considerable potential of many companies in Massachusetts for this kind of redirection. The contracts account for only a negligible percentage of the turnover of most of them (with the exception of Northrop, AVCO, and Draper Laboratories).¹⁷ The experts advised the state government to use funds from economic development programs and contributions from private and "semi-private" organizations to assist the corporations and citizens wishing to stop working for the arms race.¹⁸

Of course, all of the discussions of the role of military contracts in Massachusetts' high technology industry are still only a matter of speculation. Between 1975 and 1985 the degree of the state's participation in work on military contracts of all kinds rose from 4.1 to 5.5 percent, and Massachusetts rose from fifth to fourth place in the nation in terms of this indicator. This is a vivid example of how the reorientation of the economy

occurs more slowly than the reorientation of public opinion, but the main thing is the success of Dukakis' proposals. The widely publicized results of the committee's work have deprived the military-industrial complex of one of its main trump cards—the threat of economic crisis in the event of the conversion of military production. The voting public's response to the governor's statements and proposals clearly testifies that the public will not yield easily to the pressure the military-industrial complex is exerting for the purpose of creating a bloc of pro-militarist forces.

Finally, Dukakis did not confine himself to the socioeconomic aspects of the problem but announced his main goal as the eradication of "militarist thinking" in Massachusetts. The committee report he distributed proposed that all academic institutions in the state teach a special course on the nature of the arms race, its implications, and the ways of fighting against it. He even thought of "becoming related to" Leningrad Oblast in the USSR and establishing close contact with its organizations for broader cultural, scientific, and business relations, which would have aided in the attainment of his goal. A special directive issued by the governor said that Massachusetts "not only should not participate in preparations for a nuclear war but is obligated to aid in its prevention. This presupposes the explanation of the real nature of war to citizens and a definite effort to steer national policy in the direction of negotiations."¹⁹

In the current campaign Dukakis has taken every opportunity to underscore the important differences between the foreign policy he advocates and the policy pursued by the current Republican administration. He is trying to convey the image of a politician who is more aware than others of the real possibility of arms reduction today. He is promising to "transcend the boundaries of the INF Treaty" and strive for a nuclear test ban, secure the success of the talks on the 50-percent reduction in USSR and U.S. strategic weapons, and accomplish the mutual limitation of conventional forces in Europe. Furthermore, he is promising to take much more vigorous action than the current administration. Dukakis' opponents are trying to convince the voters that "the Democrats are hammering away at the foundations of national defense" and that "the country does not want a shift to the left and a return to the period of weakness under Carter." Bush's aides, according to reports in the press, are prepared to brand Dukakis as the man from the "Soviet state of Massachusetts."²⁰

Dukakis' views on these matters, however, are somewhat ambivalent. On the one hand, the candidate criticizes the "Star Wars" program: In his words, SDI cannot be effective because "it is a mirage and a hoax, and it is time to stop wasting billions of dollars on it."²¹ If he wins the election, he will confine the work on SDI to laboratory research and will cut allocations for it from 3.7 billion dollars (in the current fiscal year) to 1 billion. Dukakis feels that the renunciation of SDI would put an end to

the American side's intention to violate the 1972 ABM Treaty and aid in the quickest possible conclusion of the strategic arms reduction agreement he wholeheartedly supports.

Although Dukakis has declared his opposition to the Strategic Defense Initiative, he wants to spend money on a "conventional defense initiative" for the purpose of improving American non-nuclear forces. Besides this, although he opposes the MX and Midgetman missiles, he does not exclude the possibility of the development of a new land-based ICBM and supports the modernization of other elements of the strategic arsenal—the missiles to be based on Trident submarines, the Stealth bomber, and the B-1 bomber. It is his opinion that the United States should reconsider its views on nuclear reserves in light of future cuts in the military budget and the prospect of arms reduction agreements.

Is it true then that militarism is on the defensive? It would be difficult to answer the question unequivocally, but there is reason to believe that it is no longer on the offensive. Today American politicians with differing views—both liberals and conservatives—are talking about the "impending end of the postwar era of a U.S. foreign policy based on anticommunism and the deterrence of the Soviet Union with the aid of increasingly high military expenditures." When Reagan assessed his talks with the Soviet leadership in Moscow, he stressed that the East and West might be entering a new era in the history of their relations.²²

The Massachusetts initiatives seem quite noteworthy in this context as well. Their significance, which extends far beyond regional boundaries, stems from the following factors. They are paving the way for the acceptance of the idea of a nuclear-free world and will help to surmount the "nuclear syndrome" in the public mind and in the thinking of ruling circles. In the second place, they testify that even in the places where the defense industry has strong roots, they are not necessarily accompanied by an ideology viewing military production as a blessing. Finally, these initiatives have made a distinct impression on American attitudes and are now being used effectively as a trump card in the election campaign, although Governor Dukakis' negative view of the nuclear arms race has been replaced by much more moderate views as he has advanced in national politics.

Dukakis' popularity in the country and his campaign successes also indicate new trends in the assessment of the role of the military-industrial complex—both by the public and by members of the political elite. The military programs the Republican administration proposed as one of the bonding elements in the creation of its mass political base did not produce the dividends the party expected. Antiwar feelings are gaining mass support once again, and there is a noticeable shift in the thinking of most Americans in favor of the development of relations with the USSR.

Of course, it is still too early to dismiss American militarism and the threat it poses to peace. As a speaker said at the 19th all-union party conference, "there is still no guarantee of the irreversibility of the new positive processes."²³ The military-industrial complex could find new ways of influencing the administration, Congress, and the public, could invent new types of ideological camouflage, and could use any problem in Soviet-American relations in its own interest. As M.S. Gorbachev said, this complex is certainly not "the only force determining American policy...although its influence is extensive. It is displayed most clearly and openly when positive changes become apparent in matters connected with disarmament, when the possibility of agreements in this area is evident, and when military budgets and other arms allocations are slated for discussion in Congress."²⁴

We have already said that changes in policy and in public opinion are sometimes far ahead of economic realities. It will be particularly difficult to surmount the resistance of the military-industrial complex and make real changes in the military economy. This is an active and flexible force, and it is quite capable of adapting to new realities. One of these realities today, however, is the prospect of a nuclear-free world. Conversion to civilian production will be easier for the giant concerns with financial reserves and with maneuvering potential than for the many (over 150,000) small subcontractor firms making up a diversified network throughout the country. The previously mentioned inertia of ongoing programs and the military budget reserves the Reagan administration had time to secure will also play a significant role....

Many arguments could be cited to support the statement that the military-industrial complex is still strong. Nevertheless, obvious facts—the progress in disarmament, the military spending "ceilings" dictated to the Pentagon by Congress, or the Massachusetts initiatives—indicate that it is also time for us to give up the stereotype of the ubiquitous and sinister military-industrial complex with "total influence" in the American society. Our understanding of current processes in this society and, consequently, the productivity of our search for rapprochement and peace will depend largely on this.

Footnotes

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U.S. Policy in South Asia Viewed

18030004d Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 88 (signed to press 22 Sep 88) pp 32-41

[Article by Nataliya Spartakovna Beglova, candidate of historical sciences: "Some Aspects of the United States' South Asian Policy"; words in boldface as published]

[Text] When Washington conducts policy in South Asia, it must realize that the South Asian subcontinent is an unstable region where the situation is marked by the presence of many different types of crises. Although the conflicts here do not have the features of military actions at this time, many of them once led to military confrontations and even wars or to internecine massacres within a particular country.

It is significant that the situation in South Asia has traditionally been influenced greatly by events in neighboring regions, especially Southwest Asia, where the atmosphere in the 1980's was extremely tense in connection with the Iran-Iraq conflict and the situation in and around Afghanistan. It is clear that the events in Afghanistan and the entry of this country by Soviet troops naturally affected the situation in South Asia by complicating it considerably, and this will be discussed in greater detail later in the article.

After agreements had been reached in Geneva and the withdrawal of the Soviet troops from Afghanistan had begun, it became possible to settle the situation in Afghanistan itself, to normalize relations between India and Pakistan, and to solve the subcontinent's problems by peaceful means.

This is a slow and difficult process, however, and it will take a great deal of time and effort on the part of all of the sides concerned before the situation in South and Southwest Asia can be normalized and stabilized.

Washington is keeping an eye on the situation in this part of the world so that it can plan a policy of crisis response that will aid in the resolution of conflicts in line with U.S. interests.

The nature of the different conflicts in South Asia can vary widely, but most of them stem from the same problems leading to crises in other developing countries—ethnic, territorial (intraregional and interregional,¹ religious, sociopsychological, and others). Furthermore, the ethnic

clashes that are characteristic of the phase of the emerging national awareness of small nationalities are now the most typical conflicts in this region.

Today South Asia is literally inundated with ethnic problems and the separatist movements they engender. It is probably that this is the only part of the world where this is happening (on this scale). Separatist feelings have swept through many states in India—Punjab, Assam, West Bengal, Gujarat, and Tamil Nadu. Similar problems could also arise in other states.

Ethnic factors are also contributing to crisis in Pakistan. In particular, they are the reason for the Pushtun problem, which concerns the interests of Pakistan and also of Afghanistan and Iraq, where Pushtuns live, and of Baluchistan, where the population, the Baluchis, have wanted to establish an independent state for a long time.

It is significant that Washington took advantage of the presence of separatist tendencies in Baluchistan to arouse anti-Soviet feelings in Pakistan. Until recently, for example, an invasion of Baluchistan, which is located on the coast of the Arabian Sea, by Soviet troops and the subsequent declaration of the area an independent state "naturally" included in the sphere of "Soviet influence" was seriously regarded as one of the probable "scenarios" of the Soviet Union's advancement toward the Persian Gulf.²

When Z. Brzezinski was President Carter's national security adviser and was commenting on Carter's statement about the United States' determination to "defend" the Persian Gulf zone (in accordance with the "Carter doctrine"), he specifically stressed that this also applied directly to Baluchistan within the framework of the broader U.S. commitments to Pakistan.³

The ethnic and religious conflict between the Sinhalese and Tamils in Sri Lanka has recently become extremely intense. In addition to destabilizing the internal political situation in the country, this conflict is dangerous because it impinges directly on regional affairs with its negative effect on relations between India and Sri Lanka. The nature and scales of these signs of crisis in South Asia suggest that ethnic and ethno-religious clashes will remain the principal factors contributing to crises in South Asia for many decades.

If we employ the structural or geographic system for the classification of crises, the conflicts in South Asia can be divided into **transnational**, the effects of which extend to several countries (they include, in particular, the problem of the interaction and coexistence of Muslims and Hindus in several states of the subcontinent), **intergovernmental**, distinguished by problems in the interrelations of two governments in the region (these disputes are part of the relations between virtually all neighboring countries in South Asia), **intragovernmental** (for example, the previously mentioned ethnic problems in India

and Pakistan, which do not transcend the boundaries of one country), and external, caused by the actions of a country not located in the region but capable, for one reason or another, of influencing the situation on the subcontinent.

Some American specialists have traditionally regarded the "Soviet threat" as one of the external factors of crisis in South Asia. Studies of various aspects of the "threat to the countries of the subcontinent from the northwest" and possible American "responses" were published in the United States in the 1980's.⁴ At the beginning of the 1980's, when the crisis broke out in Afghanistan and the Soviet troops entered the country, the "Soviet threat" became an almost obligatory element of any analysis of the situation in South Asia. Different varieties of Soviet "attacks" on Pakistan were discussed frequently. The range of these hypothetical "invasions" was extremely broad: from the bombing of Afghan counterrevolutionary bases in Pakistan by the Soviet Air Force to a concerted attack by Indian troops from the east and Soviet troops from the west for the purpose of dismembering Pakistan. The allegation that Moscow wanted "to gain access to the Persian Gulf and thereby accomplish the historical Russian advancement toward the southern seas" was usually employed to substantiate various scenarios of a Soviet invasion of Pakistan.⁵

Islamabad verbally acknowledged the existence of this threat and made skillful use of it to gain more American economic and military aid, but in reality it still regards the "Soviet threat" from the northwest as highly improbable. Its military strategy is based on the assumption of a real threat from the southeast—i.e., from India. In particular, this is corroborated by the fact that 18 of Pakistan's 22 divisions are still deployed along the border with India. This is also the destination of the lion's share of new American weapons.⁶

Nevertheless, we must admit that even at the beginning of the 1980's the majority of Western experts, including Americans, made extremely skeptical remarks about the probability of a "Soviet invasion" of Pakistan and regarded the statements about the existence of this "threat" as the result of Washington's "overreaction" to the presence of the limited contingent of Soviet troops in Afghanistan,⁷ and in the middle of the 1980's these assessments of the USSR's goals and objectives in South Asia and Iran virtually disappeared from the pages of serious American scientific periodicals.

What is more, many American experts have to admit that more and more countries on the subcontinent regard U.S. policy in South Asia, especially the augmentation of American-Pakistani military contacts, as one of the external crisis factors with a negative effect on regional affairs.⁸

In spite of the great variety of external and internal crisis factors influencing the situation in the region, the main one is still the existence of the serious Indo-Pakistani conflicts that are destabilizing relations between these two countries and the entire situation in South Asia.

From the very beginning of the existence of these states on the subcontinent, the United States has kept track of the development of their relations and has made use of the conflicts between them to conduct a "balance of power" policy in South Asia. The Indo-Pakistani conflict was always a matter of central concern to American political scientists, who used the analysis of the evolution of the conflicts between these countries as a basis for recommending ways of enhancing the effectiveness of Washington's policy in South Asia.

In the opinion of American experts, this conflict stems from religious-communal or, in Western terminology, communalist (from the English word "community") differences between the Muslim and Hindu communities, differences which have existed for centuries.⁹ This was an internal problem as long as it was confined to a single country, but after the partition of India and the creation of Pakistan it became an international problem "leading inescapably to war."¹⁰ It is no coincidence that Western researchers regard the Indo-Pakistani conflict as the most graphic example of the critical effect of colonialism and the post-colonial partition of the world on relations between emerging countries. The most prominent American expert on South Asia, N. Brown, remarked that the "partition (of India—N.B.) was a disaster, the greatest disaster the subcontinent has ever known."¹¹ From the very beginning, the conflict also included elements of territorial disagreements, focusing mainly on the issue of Kashmir, which is still the main critical area in relations between India and Pakistan.

In addition, this was an ideological conflict between two diametrically opposed sociopolitical systems—India's pluralist democracy of the Western type and Pakistan's military dictatorship, which, with rare exceptions (the government of President Z.A. Bhutto), has been the predominant system of government in Pakistan.

American analysts and politicians like to single out this aspect of Indo-Pakistani relations, underscoring the existence of genuine freedom and genuine democracy in India, in contrast to many neighboring countries, and exploiting the idea of the common "democratic values" of the two countries.

When we assess the scales of the Indo-Pakistani conflict and its tremendous effect on intergovernmental relations in the region, we must say that although it is a conflict between two countries, there is every reason to call it a regional conflict (by analogy with the regional nature of Arab-Israeli clashes). Besides this, although it cannot influence Soviet-American relations directly, there is no question that it affects them indirectly.

In any protracted crisis the fighting sides are inclined to seek the assistance of a third side with no direct involvement in the conflict. Confrontations in developing countries usually force the conflicting parties to seek the support of one of the great powers.

Since the middle of the 1950's Pakistan has been a member of the American system of politico-military blocs in Asia. There is no question that Islamabad's decision to agree to stronger American-Pakistani ties was dictated not by the global goal of confrontation with the Soviet Union, but by "the desire to win the West's support for the containment of India in the region."¹²

The further augmentation of politico-military ties between Washington and Islamabad could involve the United States in the crisis on the subcontinent if it should grow more acute. One example supporting the validity of these assumptions is the conflict in South Asia in 1971, when the United States was on the verge of direct participation in military operations, and only their quick curtailment, in the opinion of some American experts, prevented the regional conflict from growing into a global one.¹³

It is on the basis of their analysis of the development of crisis situations in South Asia that many American political scientists are advising the reduction of American military aid to Pakistan. In their opinion the intensification of American-Pakistani military contacts will, first of all, provoke an arms race on the subcontinent, which would be particularly dangerous in view of the real possibility that India and Pakistan will have nuclear weapons of their own within the near future. In the second place, these close relations with Islamabad presuppose greater U.S. involvement in crises on the subcontinent, which would disrupt the natural development of a regional "balance of power." In the third place, this would motivate India to strengthen its traditionally friendly relations with the Soviet Union. One prominent American expert on South Asia, S. Harrison, has stressed that "the fundamental goal of American policy (in South Asia—N.B.) should consist in avoiding any kind of direct involvement in a military contest we cannot control."¹⁴

American political scientists are not unanimous in their views on the main conflict in the region. Nevertheless, they all agree that the United States does not want the further intensification of Indo-Pakistani clashes or the destabilization of the situation in South Asia and should therefore strive to maintain stability here. The way of maintaining this stability is the real question, and this is where their disagreements begin. Some believe that this could be accomplished by a "strong Pakistan" capable of counterbalancing Indian influence. In the opinion of others, India should be relied upon in this matter, because this democratic state has already become a regional "power center" and it is strong enough to sustain a definite "balance of power" on the subcontinent by itself.

What were the distinctive features of the Reagan administration's approach to crisis situations in South Asia and what was its real policy here?

According to official documents, the main purpose of U.S. policy in this region consists in "counteracting aggression, encouraging regional conciliation, and aiding in the peaceful resolution of conflicts."¹⁵ They say that the United States wants normal relations between India and Pakistan because "the subcontinent will be vulnerable"¹⁶ to the influence of external destabilizing forces as long as South Asia is divided into two hostile camps. It is significant that people in Washington ceased long ago to view the conflict in South Asia in isolation from the crisis situations in the Persian Gulf zone and other nearby regions. We should recall Brzezinski's idea of the "crescent of crisis," which regarded all of the crises in the Indian Ocean zone, from East Africa to Southeast Asia, as a single entity. In the minds of Reagan administration officials, the conflict in South Asia was closely connected primarily with the situation in Afghanistan and also with other conflicts in Southwest Asia.

As one prominent American expert on South Asia, Professor L. Rose, stressed, "since the beginning of the 1980's Afghanistan has been a decisive factor in American policymaking in South Asia because it has determined the patterns of U.S. relations with India and Pakistan and has had a tremendous effect on all of the great powers' interrelations in South and Southwest Asia."¹⁷

This is the reason for Washington's heightened interest in Pakistan. Islamabad has become a direct participant in the crisis situation connected with the events in Afghanistan and, consequently, is regarded by the White House as an important link of the alignment of forces in the Persian Gulf zone.

This assessment of Pakistan can be found in virtually all American documents dealing with South and Southwest Asia. They say that the "Soviet invasion" of Afghanistan turned Pakistan into a "frontline state" and they also underscore "the important Pakistan played in safeguarding the security of the Persian Gulf."¹⁸

At that time Washington assigned greater importance to the crisis in Afghanistan and the Persian Gulf zone than to the Indo-Pakistani conflict. All of the talk about the need to resolve the Indo-Pakistani conflict and other crises in South Asia virtually disappeared from official documents on the goals of U.S. policy in South Asia. The goal of "detering Soviet expansionism," on the other hand, was prominent in all of them.

In addition, these documents stressed the importance of American military aid to Pakistan from the standpoint of the "deterrence" of the Soviet Union and the "non-proliferation of nuclear weapons in South Asia," because Washington believed that the reinforcement of Pakistan's military strength with American military aid would motivate the Pakistani leaders to give up their plans to develop their own nuclear weapons, especially since this would be followed shortly by the cessation of American aid.¹⁹

All of these factors led to the "pro-Pakistani" shift in U.S. policy in South Asia and the related augmentation of American-Pakistani military contacts.

Now that the Geneva accords on the political settlement of the situation around Afghanistan have been signed, it appears that Washington is not carrying out its plans to turn Pakistan into the American eastern outpost in Southwest Asia. One reason is Islamabad's hope of avoiding a formal alliance with the United States because of the fear of a negative reaction within the country and in the Muslim world as a whole and because of the United States' fear of provoking the deterioration of American-Indian relations. Besides this, many people in Washington realize that Islamabad's excessive association with the United States, in view of the present domestic political situation in Pakistan, a situation which is far from stable, could lead to even more active opposition and a repetition of the events leading up to revolution in Iran.

The United States realizes that the weapons with which it is arming Pakistan could be used, as they were in the past, against India in the event of a conflict on the subcontinent. Now that the political settlement in Afghanistan is under way (as we know, it was precisely the crisis in Afghanistan that served as the United States' excuse and "justification" for military shipments to Pakistan), Washington's efforts to build up Islamabad's military strength seem quite enigmatic to India. And it is a fact that U.S. military and economic aid to Pakistan is still quite sizable. Between 1988 and 1993, for example, this aid will amount to 4.02 billion dollars, and military aid will account, just as before, for a large part of the total.²⁰

Washington's inclination to ignore India's interests cannot fail to affect Indian-American relations. The Indian side has stressed several times that any progress in relations between the United States and India in various fields will be of "limited value" as long as the American shipments of weapons to Pakistan continue.²¹

Many politicians and public spokesmen in the United States and several American researchers advised the Reagan administration long ago to avoid getting too close to Islamabad at the expense of closer and more stable relations with India, which they regard as an indisputable regional "power center," and not only in South Asia but also in Asia as a whole.

Without denying the need to maintain a certain level of contact, including military contact, with Pakistan, they advocate the all-round development of economic, diplomatic, cultural, and military relations with India. All of this, in their opinion, will show New Delhi that American policy in South Asia is not anti-Indian and will prevent the further reinforcement of Soviet-Indian ties, while the unilateral development of American-Pakistani ties "could encourage India to work more closely with the Soviet Union."²²

Besides this, the crisis in the Persian Gulf zone led to a further buildup of U.S. military strength in this region and in the Indian Ocean as a whole. This has understandably aroused negative reactions in New Delhi. The improvement of U.S. relations with India could secure more "understanding" on New Delhi's part of the "legality of the U.S. naval presence in the Indian Ocean within the context of the global and regional competition by the superpowers."²³

Apparently, people in the White House are also aware of these facts to some degree. In any case, in the last few years the Reagan administration has made considerable efforts to "reassure" New Delhi and neutralize the negative effects of American policy toward Pakistan on India. The greatest effort has been made to interest India in broader American-Indian economic cooperation and deliveries of the latest American technology. The possibility of military contacts with New Delhi is being investigated, and steps are being taken to encourage the normalization of relations between India and Pakistan and between India and China. Some progress has been made in recent years in the improvement of relations between India and China. These countries are conducting regular talks at fairly high levels for the resolution of territorial disputes and the development of economic and cultural contacts.

The situation is more complicated in the sphere of Indian-Pakistani relations. The intensification of American-Pakistani military contacts and Washington's encouragement of the militarization of Pakistan have had a negative effect on the state of U.S. relations with India, have prevented the successful development of dialogue between India and Pakistan, have slowed down the improvement of the atmosphere in South Asia, and have started a new phase of the arms race on the subcontinent.

The provision of Pakistan with the latest American weapons forced India to respond by strengthening its own defensive capabilities. An agreement was concluded on the delivery of 40 French Mirage-2000 planes to India. India bought Jaguar planes from England. Besides this, it equipped its Vikrant aircraft carrier with modern English Sea Harrier planes, concluded an agreement with the FRG on the purchase of several submarines, is planning the inclusion of several modern ships in its navy, and has begun working on the development of ground-to-air, air-to-air, and air-to-ground missiles. All of this, along with the buildup of Pakistan's military strength and the presence of many unsolved problems in the relations between the two countries, cannot fail to heighten tension in South Asia.

Any analysis of the issue of weapons in South Asia should include a discussion of the considerable military assistance India receives from the USSR. The Soviet Union is doing this, in the first place, because it knows that India wants to offset the arms shipments from the United States to Pakistan and, in the second place,

because it believes that the reinforcement of India, a peaceful state, one of the leaders of the movement for non-alignment, and a country making a positive contribution to the consolidation of international security, will be a factor stabilizing the situation on the subcontinent.

We must also admit, however, that India's purchases of weapons from the Soviet Union and other countries are arousing the Pakistani leaders' desire to step up the reinforcement of their armed forces. Besides this, this gives Washington a chance to validate the further augmentation of its military contacts with Pakistan with the need to "equalize" the military balance of power in South Asia.

The result is a vicious circle, and we feel that the conclusion of agreements between the major suppliers of weapons to India and Pakistan on the limitation of arms shipments to these countries in line with the principle of reasonable sufficiency, the criteria of which could be negotiated by all of the sides concerned, would help to break the circle and stop the arms race on the subcontinent.

In the 1980's India and Pakistan made a number of attempts to normalize relations. Between January 1982 and July 1984, for example, the two countries conducted a series of summit-level talks for the conclusion of a political treaty based on the non-aggression pact Pakistan had suggested and on the draft treaty on peace, friendship, and cooperation India had proposed. These talks, however, did not produce any results. It is indicative that Pakistan refused to consent to the inclusion of a statement in the treaty or pact obligating both countries to refrain from allowing foreign military bases within their territory.

A short time later, during the president of Pakistan's brief stay in the capital of India in December 1985, the two countries agreed not to attack one another's nuclear installations. Many people see this move as a promising first step on the road to an atmosphere of trust.

Many difficulties and problems still lie ahead on this road, however, and they can only be solved by means of mutual concessions and the abandonment of old but tenacious stereotypes. For Pakistan one of these stereotypes is the view of India as a country with hegemonic aims in South Asia, as a state threatening the very existence of Pakistan and striving to swallow its neighbor. This view of India, which took shape, incidentally, with considerable assistance from American propaganda, is extremely tenacious in Pakistan, and there is no question that it will contribute nothing to the establishment of normal relations between the two countries.

India, on the other hand, has been distinguished by the stereotypical behavior of the largest regional power, especially in the 1970's, with serious political influence in international affairs and the greatest economic and military potential in South Asia. This has determined most of its actions on the regional level, frequently

motivating it to negotiate disputes with its neighbors "from a position of strength," which excluded the possibility of constructive solutions to many problems. This also caused India to be distrusted not only by Pakistan but also by Bangladesh, Sri Lanka, and Nepal, it intensified crises instead of contributing to their resolution, and it led to the constant escalation of tension on the subcontinent. In recent years R. Gandhi's government has done much to repair relations with neighbors and create an atmosphere of trust in South Asia. This has been complicated by the numerous religious, communal, cultural, and social differences existing within the region as a whole and also within each separate country.

The development of the crisis in India's northeastern state of Punjab, for example, did much in recent years to prevent the normalization of Indo-Pakistani relations. The camp of the Sikh extremists who want to establish the independent state of Khalistan is located in Pakistan, and because of this the Indian Government has naturally had reason to believe that Islamabad is aiding the Indian separatists.

This problem is connected with the problem of the effect of American-Pakistani relations on India. Many people in India believe that the United States is not only aiding separatist forces within their country and supporting the separatists who have settled in the United States, but is also assisting in the training of the Sikh terrorists in camps in Pakistan. New Delhi believes that even if Washington is not aiding the extremists directly, its policy is essentially tantamount to an acknowledgement of the Sikh separatists' right to continue their subversive activity to the detriment of Indian interests.

Furthermore, in New Delhi's opinion, certain groups in Washington are hoping that even if the separation of Punjab turns out to be impossible (because the overwhelming majority of the Sikh public angrily condemned the attempt to divide the Indian state), the state of permanent crisis in Punjab will nevertheless weaken India and make it yield more easily to outside pressure.

There is also the opinion that the United States has no interest in resolving the conflicts between India and neighboring countries, because this will allow Washington to pursue the policy of the "balance of power" more successfully on the subcontinent by taking advantage of clashes between them.

There is no question that there is always the temptation to exaggerate the influence of outside factors during the assessment of any crisis, whether it develops within a specific country or between two or more countries. This kind of exaggeration of the degree of interference by external forces with no direct involvement in the conflict, however, has never contributed to an objective assessment of existing problems or to the search for realistic solutions.

When we assess the U.S. approach to crisis situations on the subcontinent, we can confidently say that Washington has indisputably used various conflicts in South Asia and in neighboring regions for its own political purposes. A vivid example is the U.S. attempt to use the crisis in and around Afghanistan to urge Pakistan and India to work more closely with the United States. It was quite successful in the case of Pakistan and much less successful in the case of India. It is obvious that the political settlement of the external aspects of the Afghan problem on the basis of the Geneva accords will do much to lower the level of tension on the subcontinent. The present international situation and the improvement of Soviet-American relations are paving the way for joint U.S.-USSR efforts in the resolution of many other regional crises.

As far as the situation in South Asia is concerned, the Soviet Union and the United States could consider several specific joint moves, such as restrictions on the sale of arms to the countries of the subcontinent in line with the principle of reasonable sufficiency, measures for the more vigorous promotion of the policy of nuclear non-proliferation, joint efforts to institute programs for the use of nuclear energy for peaceful purposes, the resumption of the talks on the Indian Ocean to reduce the level of the military presence of non-littoral states here, and other moves contributing to the relaxation of tension and the resolution of crises.

These efforts would be necessary and completely realistic, because the Soviet Union and the United States already have experience in working together in the joint efforts to settle the conflict in and around Afghanistan and the parallel actions to normalize relations between India and China from 1963 to 1970.

In conclusion, I would like to stress that the fundamental resolution of crises on the subcontinent will certainly depend primarily on the South Asian countries themselves and that only the combined efforts of all the states of this region without exception will make this possible. In addition, it will be necessary to establish productive diplomatic, political, economic, and cultural relations between them and encourage the integrative processes which are just coming into being and which we can see today in the creation and functioning of the South Asian Association for Regional Cooperation—SAARC. All of this could eventually establish an atmosphere of trust on the subcontinent, and this is an essential condition for the continuation of the search for ways of guaranteeing the security of South Asia.

Footnotes

1. The intraregional territorial disputes include, for example, the conflict between India and Pakistan. The Kashmir question was the cause of armed confrontations between these countries in 1947, 1948, and 1951 and,

finally, the war of 1965. Conflicts on the interregional level include the mutual territorial claims of India and China, which led to a war between them in 1962.

2. S. Hosmer, "Soviet Policy and Practice Toward Third World Conflicts," Lexington (Mass.), 1983, p 159.

3. INTERNATIONAL SECURITY, Winter 1980/81, p 152.

4. G. Bhargava, "South Asian Security After Afghanistan," Lexington (Mass.), 1983; "The Soviet Union and the Middle East in the 1980's. Opportunities, Constraints and Dilemmas," edited by M. Kauppi and C. Nation, Lexington (Mass.), 1983.

5. G. Bhargava, *Op. cit.*, pp 6-9.

6. STRATEGIC ANALYSIS, September 1986, p 698.

7. See, for example, G. Kennan, "Was This Really Mature Statesmanship?" THE NEW YORK TIMES, 1 February 1980; "U.S. Security Interests and Policies in Southwest Asia. Hearings..., U.S. Senate, February 6, 7, 20, 27, March 4, 18," Washington, 1980.

8. N. Palmer, "The United States and India. The Dimensions of Influence," New York, 1984, p 128.

9. S. Wolpert, "Roots of Confrontation in South Asia," New York, 1982, pp 78-95.

10. N. Brown, "The United States and India, Pakistan, Bangladesh," Cambridge (Mass.), 1972, p 130.

11. *Ibid.*, p 129.

12. CURRENT HISTORY, May 1982, p 196.

13. R. Jackson, "South Asian Crises: India, Pakistan and Bangladesh. A Political and Historical Analysis of the 1971 War," New York, 1975, p 224.

14. FOREIGN POLICY, Spring 1986, p 134.

15. DEPARTMENT OF STATE BULLETIN, February 1985, p 26.

16. *Ibid.*

17. L. Rose, "United States and Soviet Policy Toward South Asia," CURRENT HISTORY, March 1986, p 97.

18. DEPARTMENT OF STATE BULLETIN, February 1985, p 26.

19. "Statement by R. Peck, Deputy Assistant Secretary, Before the Subcommittee on Asian and Pacific Affairs. U.S. House of Representatives," Washington, 20 February 1985, pp 14, 15.

20. STRATEGIC REVIEW, September 1986, p 689.
21. DEPARTMENT OF STATE BULLETIN, February 1985, p 26.
22. CURRENT HISTORY, May 1982, p 225.
23. FOREIGN POLICY, Spring 1986, p 131.

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U.S. Writers on Public Attitudes Toward USSR Surveyed

18030004e Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 88 (signed to press 22 Sep 88) pp 101-107

[Article by A.V. Churmanteyev: "American Public Perceptions of the USSR (Survey of Works Dealing With This Topic)"]

[Text] In the last few years there has been an unprecedented increase in American public interest in the Soviet Union. The perestroika in our country, which is affecting virtually all spheres of economic, political, and socio-spiritual life, and the impressive positive changes in Soviet-American relations have aroused the interest of not only broad segments of the general public in the United States but also scientists—historians, political scientists, sociologists, and specialists in other fields of science. The formation of beliefs about the Soviet Union in the American public mind and the distinct changes in traditional stereotypical beliefs about the USSR are the topics of new special studies.

The investigation of this topic, however, began much earlier: The first works of this kind appeared in the beginning of the 1960's. For example, U. Bronfenbrenner and R. White¹ described widespread stereotypical beliefs about the Soviet Union in the United States and analyzed their sociopsychological origins. The overwhelming majority of Americans, they wrote, regard the USSR as a nation striving for world dominion, a nation where the government is isolated from the people and is not supported by them. Listing the reasons for the formation of these beliefs, the authors put the emphasis on purely psychological factors—the inclination of the individual to compose an oversimplified, black-and-white view of the surrounding world, the tendency to categorize individuals and whole nationalities as either good or bad, and the effects of "group pressure." Bronfenbrenner and White virtually ignored the objective causes (and ideological causes are probably the main ones in this category) of the formation of hostile perceptions of the USSR. Their assumption of the mirror image, the symmetry of American and Soviet perceptions of one another, is not corroborated by any facts either. Nevertheless, these authors were the first to direct attention to the threat posed to the normal development of relations between the two countries by the creation of

the inaccurate and hostile image of the USSR in American eyes. In addition, they clearly stated the need for the formation of more accurate beliefs in the American public mind.

The publication of the anthology "International Behavior" in 1965 can be regarded as the next phase in the study of perceptions of the USSR. Its authors, social psychologists, concentrated on the general theoretical aspects of international perceptions and cited examples from the sphere of Soviet-American relations only as illustrations.

For example, W. Scott² examined the structure of the images of other countries or nationalities in the individual mind and discussed some of the sociopsychological prerequisites for their creation and modification. He defines the national image as the group of traits ascribed to a particular nationality. He singles out three elements of the image of another nationality: cognitive—i.e., all known facts about this nationality; affective—i.e., emotions connected with the nationality (friendship, hatred, etc.); and active, or behavioral—the range of foreign policy actions applicable, in the individual's opinion, in dealings with a particular country. Scott also lists some of the psychological factors influencing the formation of the image of one nationality in the mind of another. In contrast to many other American psychologists, Scott believes that the objective factors influencing the creation of international perceptions are also important. In particular, the existence of opposing ideological systems in two countries is a strong force, in his opinion, impeding their accurate perception of one another.

The "International Behavior" anthology also contains an article by I. Janis and M. Smith³ on a slightly different aspect of international perceptions. These authors based their analysis on the theory of the "social attitude," according to which each individual is predisposed to perceive any social object (for example, a nationality) in a specific way. They employed the functional approach D. Katz⁴ had elaborated a short time earlier for the study of this psychological phenomenon. Janis and Smith examined four basic functions of the "social attitude": adaptive, defensive, cognitive, and self-assertive. The authors drew the valid conclusion that the image of a particular country becomes increasingly immune to change as it performs more functions.

Scott, Janis, and Smith do not analyze American perceptions of the USSR directly. Some of their statements, however, are directly applicable to the analysis of this topic. It is clear that the presence of opposing ideologies influenced the creation of the Soviet Union's negative image in the American mind. There is also no doubt that the adaptive function of the "social attitude" promotes the spread of hostile perceptions of the USSR, because the prevailing anti-Soviet ideology in the United States frequently makes any kind of friendly attitudes toward

the Soviet Union absolutely dangerous. In general, however, the theorizing of these authors was quite abstract and could hardly be employed in the analysis of specific international situations.

American sociologists also examined the American public's image of the USSR in the 1960's, but they did not analyze the structure of this image or the reasons for its development. As a rule, they simply ascertained the negative attitudes of most Americans toward the Soviet Union and toward the ideas of socialism and communism in general.⁵

The investigation of enmity in politics by D. Finlay, O. Holsti, and R. Fagen⁶ was another noteworthy American study of international perceptions of that time. These authors coined the term "enemy image," which they regarded as a specific variety of the image of another country (or nationality). In their opinion, a nationality would be viewed as "particularly hostile" if it met the following description: It posed a direct threat to the independence or economic and political influence of one's own country; it had considerable military and economic potential; the negative features ascribed to it conflicted with certain extremely important values and ideals characteristic of one's view of one's own nationality. The authors cited American beliefs about the USSR as a typical example of the "enemy image." This image is sustained in the mind of the American public by means of the negative interpretation of all Soviet foreign policy actions and the selective publication of only the information agreeing with the original negative image of the Soviet Union. They were inclined, however, to underestimate the objective factors influencing American perceptions of the USSR. Their definition of the enemy as "anyone we perceive as such" clearly attests to their subjective approach.

The "enemy image" is a real problem, however, because the hostile attitudes of nationalities toward one another have a negative effect on their interrelations, and this is confirmed by the history of Soviet-American relations. The significance of the topic chosen by Finlay, Holsti, and Fagen was also corroborated by the subsequent analysis of several different aspects of this issue by many researchers, including J. Frank, H. Stein, K. Booth, G. Chilstrom, and others.⁷

The works of many authors dealt with the development of perceptions of the USSR in the American public mind in the 1970's. A study by authoritative sociologist G. Gallup⁸ warrants special consideration. He concluded from many years of observation that American perceptions of the USSR are almost completely determined by the news reports of the mass media and the public statements of political leaders. Given the prevailing anticommunist ideology, all of these channels contribute to the creation of the Soviet Union's negative image in U.S. public opinion. The public opinion poll data the author cites indicate that an extremely negative image of the USSR has been prevalent in the country in general,

and that the number of Americans with positive feelings about the Soviet Union rose only during the brief period of detente at the beginning of the 1970's, when anti-Soviet rhetoric was relatively absent from the statements of American politicians and the reports of the American news media.

A study by American sociologist D. Smith,⁹ however, proved that the negative image of the USSR was not as tenacious as people assumed, and that the Americans were not so unwilling to accept new information about the Soviet Union. In an experiment conducted by the author, subjects who listened to programs on Radio Moscow acquired a more favorable image of the USSR in most cases.

Politico-psychological studies of the formation of the American public's image of the USSR were relatively few in number in the 1970's. The principal theoretical work in this field was a book now regarded as a classic: R. Jervis' "Perception and Misperception in International Politics."¹⁰ The author's discussion of two main categories of errors in perception had a significant effect on subsequent research. The first category consisted of errors caused by psychological mechanisms operating on the conscious level, and the second category consisted of errors with subconscious origins, mainly in connection with the processes of motivation. Jervis' study, however, was not an examination of the formation of perceptions of other countries in the public mind, but an analysis of the effects of perception on political decisionmaking.

The many politico-psychological studies of the American public's image of the USSR in the 1980's included R. White's work "Fearful Warriors."¹¹ Taking Jervis' categorization of errors in perception as conscious or subconscious as his basis, he subjected the two categories to closer scrutiny.

The author began by discussing the perception of the rival as evil. It was precisely this view of the USSR, in White's opinion, that was so common in the United States. He felt that the main cause of this perception was the pleasant state of excitement experienced by any individual regarding himself as a virtuous hero fighting against evil. Other causes were the mechanism of social conformity and the reluctance of many Americans to appear "soft on communism" and be treated as heretics. White lists other common subconscious errors in the United States, including the illusion that other nations are more inclined to support American foreign policy than the foreign policy of the USSR, and the overestimation of Soviet defensive potential by U.S. military groups.

White also describes some common American misperceptions with completely recognizable origins, mainly the perception of current events in line with past beliefs. The anti-Soviet stereotypes present in the thinking of most Americans force them to take a hostile view of all foreign policy actions by the USSR, including peaceful

ones. In this group of errors the author also includes the inability of many American politicians to give up their pre-nuclear convictions (such as the perception of war as a means of attaining political objectives); "universalization"—i.e., the belief that everyone sees the world in the same way; excessive trust in propaganda; the reluctance to appear weaker than the USSR in the economic and especially in the military sense, etc.

It is significant that American misperceptions of many aspects of Soviet domestic and foreign policy are illustrated with specific examples in White's book. Analyzing some foreign policy actions of the USSR which were portrayed as aggressive acts by Western propaganda (for example, the entry of Afghanistan by the limited contingent of Soviet troops and the South Korean airliner incident), he concludes that the Soviet side's actions were dictated by national security interests and were necessary in all cases. White also speaks of the need to create more accurate American perceptions of the USSR, and he feels that the development of a sense of "empathy" will be particularly important in this area.¹²

White's excessively psychological interpretation of the entire issue and his obvious underestimation of the objective factors influencing American perceptions of the Soviet Union, however, are significant flaws in his book. The works by this author clearly reveal his acceptance of the principle of the "equal responsibility" of the USSR and the United States for the escalation of international tension and his belief in the symmetrical nature of the feelings, thoughts, and behavior of the Soviet and American sides.

"Faces of the Enemy," a book by S. Keen,¹³ is another of the works analyzing the formation of the image of the USSR in American public thinking.

In contrast to Keen, White, and other authors, S. Bialer does not analyze the mechanism of international perceptions in his article "The Psychology of U.S.-Soviet Relations,"¹⁴ but concentrates on a description of the beliefs themselves. He lists some of the main errors in American perceptions of the USSR. Many Americans, in Bialer's opinion, are inclined to dehumanize the thoughts and feelings of Soviet people, to "demonize" the leaders of the USSR, and to deny their realization that peaceful coexistence with other nuclear powers is essential in the nuclear age. The author feels it is a mistake to underestimate the Soviet Union's economic potential and to believe that a new round of the arms race will bankrupt the Soviet economy or that a tough U.S. foreign policy will force the USSR to agree to unilateral concessions. Finally, Bialer feels that the belief that the Soviet people and the Americans are exactly alike is a misperception. Anyone who believes this is ignoring the colossal differences between the historical experiences, prevailing convictions, and basic values of the USSR and the United States.

Bialer lists the opinion that all of the USSR's actions on the international scene are calculated attempts to attain the long-range objective of "worldwide communism" among the most widespread misperceptions of Soviet foreign policy in the United States. Another typical error, in his opinion, consists in the view of the USSR as a nation with no interest in any kind of fundamental changes in international affairs. The author also believes it is wrong to speak of the symmetry of Soviet and American interests or of the fundamentally common policy goals and means of the Western countries and the Soviet Union.

It is true that the misperceptions of the USSR Bialer lists are quite common in the United States, but although his work is called "The Psychology of U.S.-Soviet Relations," he does not conduct any real psychological analysis. He simply describes some common stereotypes in the United States but does not analyze the structure of American perceptions of the Soviet Union or the mechanisms of their development and modification, and in this sense his work is far inferior to studies by other political psychologists.

The dynamics of American public perceptions of the USSR have also been studied by several American sociologists. For example, D. Yankelovich and J. Doble, the well-known experts on public opinion analysis, say that, in spite of the Reagan administration's anti-Soviet policy, American attitudes toward the Soviet Union had improved perceptibly by the end of Reagan's first term in office in comparison with the "peak of hostility" in 1980 and 1981.¹⁵ The ideas of the "new cold war" have lost their earlier appeal, and most Americans, in the authors' opinion, have begun to display the more practical "live-and-let-live" type of attitude. These changes affected young and highly educated Americans first, because they, in the words of Yankelovich and Doble, are more free of "ideological hostility" toward the USSR than other population groups in the United States. The existence of this tendency has been corroborated by other sociological studies.¹⁶

In the 1980's the number of historical, sociological, and politico-psychological studies of perception and misperception in Soviet-American relations increased, and their subject matter grew in scope. For example, there were experimental analyses of the perception of various aspects of USSR and U.S. relations by children and teenagers. One of them, conducted by L. Goodman, J. Mack, W. Beardslee, and R. Snow,¹⁷ showed that although the nuclear arms race and the related threat of universal extinction were having a profoundly negative effect on the juvenile mind, most of the teenage respondents did not perceive the Soviet Union—one of the largest nuclear powers—as an enemy and did not have any feelings of hatred for it. They wanted to know more about our country and about the Soviet way of life.

A work by R. English and J. Halperin, "The Other Side. How Soviets and Americans Perceive Each Other,"¹⁸ is prominent among the works of recent years dealing with

the formation of the image of the USSR in the American mind. Its authors concentrate on the main factors influencing the creation of mutual perceptions on both sides.

English and Halperin believe that Soviet and American perceptions of one another have been affected greatly by the history of USSR-U.S. interrelations. The alternation of periods of cooperation and confrontation in Soviet-American relations has been the cause and the result of changes in mutual perceptions. The creation of accurate perceptions has been complicated, the authors remark, by the existence of great differences in social structures and cultural traditions. There are also significant differences in the historical experiences of Russia and America, of the USSR and the United States. Whereas the Americans rarely faced the real threat of invasion, Russia and the Soviet Union were repeatedly invaded by foreign enemies. Besides this, periods of prosperity and recession in the history of each nationality usually did not coincide. All of these differences have complicated mutual understanding and have impeded the creation of accurate mutual perceptions.

The authors see the work of the mass media, however, as the main source of misperceptions. Assessments of the Soviet Union in the news reports of the American press, television, and radio depend almost completely on official Washington views, which have been distinctly negative during most of the history of Soviet-American relations. There are also other reasons—for example, the inadequate professional training of journalists writing about the USSR (many of them do not know the Russian language and are not well versed in Soviet history and culture).

The works of the absolute majority of researchers describe American public perceptions of the USSR as hostile and inaccurate. There have been some positive changes in these perceptions in recent years, however, as a result of the overall improvement of Soviet-American relations and the growing interest of Americans in the process of perestroika in the Soviet Union. It is true that no serious analyses of these changes have been published yet, but the presence of these changes, which became particularly apparent after M.S. Gorbachev's trip to Washington and President Reagan's trip to Moscow, is attested to by the surveys of public opinion polls published in American periodicals.

One such survey in THE WASHINGTON POST in January 1988¹⁹ commented on substantial changes in American public opinion in several matters connected with the Soviet Union. For example, around two-thirds of the respondents said that the USSR could be trusted now. The absolute majority believed that "the Soviet leader makes a good impression." Furthermore, according to R. Morin, the author of the survey, whereas Republicans were previously distinguished by a much tougher line than Democrats in their approach to questions connected with the Soviet Union and Soviet-American relations, the recent changes have almost

eliminated the difference between the views of members of these two parties. The same survey cited the results of some other polls which proved that negative perceptions of many aspects of Soviet domestic and foreign policy are still characteristic of a large segment of the American public; the level of information about life in our country is still low. The tendency toward the overall improvement of the Soviet Union's image in the American mind, however, is quite distinct.

Therefore, American authors have revealed several of the factors influencing American public perceptions of the USSR and have analyzed them in detail. Their examination of the processes of perception in Soviet-American relations will be of great importance for stronger mutual understanding between our countries. The realization that accurate perceptions of one another are necessary for the normal development of relations between the USSR and the United States and the sincere concern of the American authors about the spread of distorted and hostile ideas about the Soviet Union in the United States constitute the main positive feature of these works.

Footnotes

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18. R. English and J. Halperin, "The Other Side. How Soviets and Americans Perceive Each Other," New Brunswick-Oxford, 1987. For a review of this book, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1988, No 6, pp 95-98.

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Book on Contemporary Soviet-American Relations Reviewed

18030004f Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 88 (signed to press 22 Sep 88) pp 108-111

[Review by A.A. Kokoshin of book "Sovetsko-amerikanskiye otnosheniya v sovremennom mire" [Soviet-American Relations in Today's World], edited by G.A. Trofimenko and P.T. Podlesnyy, Moscow, Nauka, 1987, 304 pages]

[Text] Today, now that prospects for a healthier international atmosphere can be seen quite distinctly, Soviet-American relations are arousing increasing interest throughout the world. After all, the future development of world affairs and the resolution of problems in international security, arms limitation, and disarmament will depend largely on the USSR and the United States, which, incidentally, have no special rights in comparison to other states.

Is there any reason to hope that Soviet-American relations will be marked by new approaches and non-traditional decisions capable of changing these relations for the better? Will the USSR and the United States, which represent governments and societies differing in terms of their social-class makeup, be able to interact successfully in the resolution of various international problems? Only comprehensive and multifaceted studies based on the historical analysis of the development of Soviet-American relations and the system of intergovernmental relations as a whole, at least during the period since World War II, can answer these questions.

In recent years several works have been published in the Soviet Union on various aspects of the relations between the two countries during certain periods of postwar history, but there is still a regrettable shortage of generalized studies. This is why the discussion of these matters in "Sovetsko-amerikanskiye otnosheniya v sovremennom mire," a collective monograph by a research team from the Institute of U.S. and Canadian Studies of the USSR Academy of Sciences, seems so timely.

The collective monograph is probably the most complex genre in scientific literature. The work of each social scientist is highly individual. Trains of thought and narrative styles can be so different, even in people who have worked side by side for many years, that the compilation of these monographs (in contrast to easily pasted-up anthologies) is always a difficult job. Obviously, most of the responsibility is assumed by the heads of the team of authors and the chief editors. In this case, G.A. Trofimenko and P.T. Podlesnyy have done their work successfully as a whole, although not all of the authors were able to adhere to common high standards. There are some terminological discrepancies in the book, including the use of terms that have not been analyzed sufficiently from the scientific standpoint (for example, it is hardly permissible to use terms like "the ruling

establishment" in such a serious work). In some cases, more detailed analytical explanations of fundamental terms used by the authors would have been desirable. Above all, this applies to terms such as, for example, "vital national interest."

The nature of the research objectives predetermined the structure of the work. It consists of two main parts: a historical section revealing the dynamics of Soviet-American relations throughout the postwar period, and a section analyzing their international context and their regional and functional aspects.

The main stages in the development of relations between the two countries are defined in the monograph on the basis of a well-organized scientific chronology. The class roots of U.S. foreign policy in relations with the Soviet Union are analyzed as well as the role of the international and domestic political factors influencing the making and pursuit of this policy in the past and present. The goals and means of American imperialism's long-term strategy in relations with the USSR are examined.

The inclusion of a chapter on the domestic political factors influencing U.S. policy toward the USSR (Chapter V) warrants special consideration. This chapter clearly adds another dimension to the study of this matter by giving it greater depth and scope and by substantiating the authors' conclusions.

In several other sections on various aspects of Soviet-American relations, however, the internal springs of American policy are discussed too briefly; the works of Soviet experts on domestic economic, social, and political affairs in the United States are given little or no consideration, although they contain much of value in comprehending the driving forces of American imperialism's foreign policy.

With the extensive use of known data as well as new documents published in recent years on the history of Soviet-American relations (especially several important records of hearings before U.S. congressional committees), the authors demonstrate how cooperation with the Soviet Union, which reached its peak during the period of the joint struggle against fascism, was gradually crowded out of U.S. policy under President Truman by the aims of "containment" and the ideological stereotypes of the "cold war." They show how the subsequent aggressive policies (of "liberation" and of "rolling back socialism") and military doctrine ("massive retaliation") elaborated in the United States during the period of the Eisenhower administration were reinforced by a massive buildup of American military strength and the spread of U.S. politico-military "commitments" throughout the world. As we know, it was at that time—specifically, when the United States lost its atomic monopoly—that the continuation of "cold war" began to pose the increasingly serious threat of nuclear confrontation, with grave implications for U.S. security. Analyzing this situation, the authors stress that the creation of a strategic nuclear

arsenal by the Soviet Union was a necessary measure and was dictated by the interests of the USSR's survival and the preservation of its independent policy and by the need to counteract the policy of "atomic blackmail" U.S. ruling circles had chosen as the main instrument of pressure on our country.

The study contains many subtleties and nuances which are usually quite rare in our works on political history. The interested reader will find, for example, little-known facts and some intriguing and unconventional interpretations of these facts in the sections of the monograph discussing differences of opinion in the main American political groups after World War II (pp 22-23). This also applies to the discussion of Soviet-American relations during Eisenhower's second term in office (pp 53-55) and of other issues. Sometimes, however, the authors' assessments of certain processes and developments are too general, and this is inconsistent with the analytical spirit and style of the monograph.

The experience of the Kennedy administration, which went through the Caribbean crisis and then questioned the wisdom and correspondence to U.S. national interests of the "cold war" and the policy of "dealing from a position of strength" at the beginning of the 1960's, is discussed in detail in the book. The Caribbean crisis led to the reassessment of the fundamental aims of postwar U.S. foreign policy and to the maturation of the political preconditions for detente. Even with a view to all of the restrictions posed by censorship at the time when the authors were working on the monograph, we could have hoped for a more detailed analysis of the failure of the Soviet leadership to learn certain lessons from the Caribbean crisis and of the way in which this crisis is viewed by the public in our country.

The authors discuss the period of detente in the 1970's at great length for several reasons. The main one is the need to study the experience in the creation of the mechanism of Soviet-American interaction for the restructuring of USSR-U.S. relations on the basis of the principles of peaceful coexistence in the 1980's and the future. The work contains a thorough examination of the objective factors which motivated a specific segment of ruling circles (or of "officials with realistic views," as we commonly describe them) to acknowledge the depth and scope of the changes occurring in the world in the early 1970's and, consequently, the need for some degree of normalization of relations with the Soviet Union and for a search for spheres of mutual interest and compromises in Soviet-American relations in particular and in international affairs in general. The policies of the Republican Nixon administration are analyzed, and the main results of the period of detente in the political, military, and economic spheres and in bilateral relations are summarized. The establishment of a legal-treaty basis and the creation of an infrastructure of Soviet-American relations by negotiating the political principles of these relations and recording them in several specific treaties and agreements in different spheres, from measures to

prevent military confrontations to the development of scientific, technical, and cultural contacts, are justifiably singled out as significant achievements.

The apparent willingness of many members of U.S. ruling circles to improve relations with the USSR at the beginning of the 1970's did not, however, mean that they were willing to accept the Soviet Union as an equal partner, to give up the attempts to acquire unilateral advantages over the USSR, or to begin the fundamental and comprehensive restructuring of Soviet-American relations. This fact, which is clearly and completely revealed in the book, suggests that the subsequent slide into a new period of confrontation in USSR-U.S. relations was "programmed in advance."

The Reagan administration has been discussed in numerous works by Soviet researchers on various aspects of U.S. foreign policy and Soviet-American relations. A common idea in the majority of these works is the assumption of considerable regression in Soviet-American relations at the beginning of the 1980's as a result of the abrupt intensification of anti-Soviet trends in American foreign policy and a return to forcible forms and methods of dealing with the USSR, accompanied by a massive buildup of American military strength.

The work under review is distinguished by a more thorough and professional analysis of the goals, driving forces, instruments, and methods of the strategy and policy of American ruling circles in relations with the USSR in the 1980's. The authors use a broader range of sources and more current sources. They examine the causes and dynamics of the evolution that made the Soviet-American meetings in Geneva, Reykjavik, Washington, and Moscow and the signing of the Treaty on the Elimination of Intermediate- and Shorter-Range Missiles possible. They present a balanced outline of possible developments in future Soviet-American relations and indicate the particular spheres and areas of USSR-U.S. interaction that present real opportunities for considerable advancement and those in which this advancement will be complicated by objective conditions and subjective obstacles.

The authors also present an interesting and complete analysis of the functional aspects of Soviet-American relations: their central aim of preventing nuclear war and stopping the arms race, USSR-U.S. interaction on the regional level, and the role and significance of Soviet-American trade, economic, scientific, and technical contacts.

The monograph as a whole represents an important contribution to the investigation of the content and prospects of Soviet-American relations and all international affairs—an investigation which is so necessary at a turning point in the development of human civilization.

There is no question, however, that the collective work would have benefited from a clearer examination of the historical alternatives arising during different phases of Soviet-American relations. Without a disclosure of these alternatives and of the hierarchical factors determining the degree of probability of the choice of any of these, it is extremely difficult, if not impossible, to develop the forecasting function of scientific research.

We hope that this strong team of authors will conduct a special investigation of some "historical reversals" in Soviet-American relations and analyze missed opportunities for their improvement. Furthermore, our side did not always use these opportunities as it should have either. Several Soviet researchers and diplomats are now speaking, and with good reason, about the opportunities that were missed after the summit conference in Geneva in 1955, attended by the leaders of the USSR, the United States, France, and Great Britain, with N.S. Khrushchev representing the USSR and D. Eisenhower representing the United States, in several situations during Carter's presidency, and in other cases.

The book was written at a time when discussions of our society's acute economic and social problems in unrestricted publications were unacceptable or even impossible. Therefore, it is not the authors' fault that these problems have not been given the necessary consideration in the analysis of the perception of the Soviet Union by U.S. ruling circles and the American public as a whole. The way in which Soviet-American relations were affected by the fact that our country was on the verge of economic crisis still needs special examination. We can only sympathize with the authors' inability to gain access to some Soviet archival documents and materials on problems in these relations.

In general, however, we can say that this monograph essentially represents the highest level our science of political history could reach in the discussion of these matters at the time when the book was written. It is interesting that the authors do not state any general conclusions. Apparently, they were aware of the complexity of the situation and reserved the right to make general conclusions in a later edition, which is completely warranted as long as the work is revised with a view to the new conditions of the development of our society and our science.

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Democratic, Republican Vice Presidential Candidates Profiled

18030004g Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 88 (signed to press 22 Sep 88) pp 117-118

[Article by I.Ye. Korzheva]

[Text] At the national convention of the Democratic Party of the United States in Atlanta from 18 to 21 July, Governor M. Dukakis¹ of Massachusetts was nominated

as the party's candidate for the presidency (with 2,876 votes). The runner-up, in terms of votes (1,219), was J. Jackson; as the newspapers commented, he will "be remembered by delegates for his emotional speech" at the convention. Jackson was mentioned, along with Senators J. Glenn, R. Graham, and L. Bentsen and Congressmen L. Hamilton and T. Foley, as a possible vice-presidential candidate. By tradition, however, the presidential candidate chooses his own running-mate. Dukakis chose Senator Lloyd Bentsen from the state of Texas.

Lloyd Bentsen, in the words of the CHRISTIAN SCIENCE MONITOR, "bears no resemblance to the 'typical Texan'—he is soft-spoken and polite instead of being loud and he prefers tailored gray suits to cowboy duds and a wide-brimmed hat. Although he has a reputation as a reserved and cautious man, he was friendly and entertaining in interviews."

He was born on 11 February 1921 in Mission, a small town in Texas. His father was a rich landowner. After receiving a degree in law from the University of Texas in 1942, he served in the Air Force during World War II and was awarded medals. After the war he was elected to the bench, and in 1948 he became the youngest member of the House of Representatives of the U.S. Congress. In 1955, however, he left his congressional seat and went into business: With a large loan from his father, he started his own business and became the president of the Lincoln Consolidated company. Bentsen returned to national politics in 1970, when he was already a millionaire, so that, as he put it, "he would be remembered for something other than his bank account." That year he beat current Vice-President G. Bush in the Texas senatorial race and has been re-elected to the Senate twice since then, in 1976 and in 1982.

In 1976 he entered the race for the presidential nomination, but the Democrats chose another southerner—J. Carter.

In the Senate Bentsen has adhered to a line midway between the centrist and conservative Democrats. In economic matters he favors a combination of government regulation with the principles of the free capitalist market and advocates federal government support of private enterprise. Protecting the interests of Texas exporters, Bentsen usually supports the principles of free trade. In January 1986, for example, he suggested the cancellation of restrictions on sales of oil drilling equipment to the Soviet Union because he felt that they were hurting the United States more than the USSR.

Judging by his voting in the Senate, his views are directly opposed to Dukakis' statements on many issues: He is in favor of the MX missile, the SDI, and military aid to the contras.

What influenced Dukakis' choice? Above all, Bentsen could considerably enhance Dukakis' chances in the south, especially in Texas and California, and this is extremely important in national elections. Other considerations were Bentsen's experience in the Senate, his contacts in Washington, and the moderate-conservative nature of his platform, which was a good counterbalance to Dukakis' own liberal views. Is it possible that Bentsen's victory over Bush in 1970 also appealed to Dukakis? Or is it possible that Dukakis, the candidate from Massachusetts, hoped to repeat the success of the Democrats in 1960, when the winning "team" consisted of John Kennedy from Massachusetts and Lyndon Johnson from Texas?

The Republican national convention was held in New Orleans (Louisiana) from 15 to 18 August. As everyone expected, the delegates chose Vice-President G. Bush as their candidate for the presidency.² He did not announce the name of the vice-presidential candidate until he arrived at the convention. It was Senator James Danforth (Dan) Quayle from Indiana.

Until recently he was known to few outside his own state, where he was popular among rightwing Republicans, women voters, and some young voters. News correspondents have commented on his extreme conservatism, his relative youth (he is 41), and his good looks. When he joined the race for the White House, the 1988 elections turned into a duel between two pairs of millionaires: Quayle's fortune is estimated at 200 million dollars. He is a third-generation millionaire. His grandfather, E. Pulliam, owned the INDIANAPOLIS STAR, the ARIZONA REPUBLIC, and other newspapers. His family now owns the HUNTINGTON HERALD PRESS.

Quayle was born in Indianapolis on 4 February 1947. In 1969 he graduated from DePauw University in Greencastle (Indiana), and in 1974 he graduated from the law school of Indiana University. He worked on the staff of the state attorney general and the governor, practiced law, and was an associate publisher of the family newspaper. After he was elected to the House of Representatives in 1976, he served two terms as a congressman. Since 1980 Quayle has been a senator of the United States and a member of the Budget Committee, the Armed Services Committee, and the Committee on Labor and Human Resources. He has been one of Reagan's loyal followers, supporting all aspects of his economic program. Recently, however, Quayle has been more inclined to express worries about the growing federal budget deficit; the slight change in his views is also attested to by his support of new and existing federal programs for the creation of jobs.

Quayle is categorized as a "hawk" in matters of military and foreign policy: He has repeatedly supported the SDI program and military aid to the Nicaraguan contras and voted against a freeze on military spending. As an advocate of the "tough" approach to the USSR, in 1987 he suggested a "competitive strategy" in which the

Pentagon would assign priority to improvement in fields where the USSR is perceptibly weak. During discussions of the ABM Treaty, he advocated its broad interpretation. He was one of the most active critics of the INF Treaty, but he voted for it after several treaty provisions had been clarified, particularly with regard to its applicability to future weapons.

George Bush called Quayle "an outstanding senator and leader in matters of national security." Some facts from his biography were criticized in the press, however, especially his use of his father's influence to avoid the draft during the Vietnam War by serving in the National Guard.

The upcoming election will show if Bush has made the right choice. Bush's position in campaign polls improved considerably immediately after the Republican convention: Whereas Democratic candidate Dukakis was ahead of Bush by 4-7 percent in July, at the end of August from 40 to 44 percent of the respondents supported Bush and only 36-39 percent supported Dukakis.

Footnotes

1. For more about M. Dukakis, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1988, No 7, pp 104-106, and No 9, pp 13-21, 107-113.

2. For more about G. Bush, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1988, No 7, pp 102-104, and L.A. Antonova's article, "The Republicans Before the Election," in this issue—Ed.

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Publication Data

18030004i Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10 Oct 88 (signed to press 22 Sep 88)

English title: USA: ECONOMICS, POLITICS, IDEOLOGY

Russian title: SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA

Editor: V.M. Berezhev

Publishing house: Izdatelstvo Nauka

Place of publication: Moscow

Date of publication: October 1988

Signed to press: 22 September 1988

Copies: 27,560

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